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# USSR Report

INTERNATIONAL ECONOMIC RELATIONS

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28 February 1985

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## AFRICA

### COOPERATION WITH NIGERIA REVIEWED

Moscow FOREIGN TRADE in English No 11, 1984 pp 50-52

[Article by Garri Kuznetsov, chief of Department for Economic Cooperation with African Countries, the USSR State Committee for Foreign Economic Relations]

[Text]

Independent Nigeria, Tropical Africa's largest developing country, has been already for over 15 years one of the Soviet Union's major trade and economic partners on the African continent.

This successful Soviet-Nigerian economic and technical cooperation is based on a sound foundation of well-known principles of the USSR's relations with the developing countries—the sides' equality, respect for sovereignty, assistance in overcoming economic backwardness and mutual benefit.

The signing of the first agreement between the Soviet Union and Nigeria, November 21, 1968, opened a new page in the development of USSR-Nigeria economic relations. Prior to the signing of this agreement in connection with rendering assistance in constructing an iron-and-steel works at the request of Nigeria's government a group of Soviet specialists had visited the country to prepare a feasibility study on the advisability of constructing this works.

Since the signing of an Intergovernmental Agreement on Soviet-Nigerian economic and technical cooperation, the Soviet Union participated in constructing two petroleum product pipeline systems (length over 900 km); an iron-and-steel works in Ajaokuta is under construction; an educational centre was opened for training oil workers and vocational centres for instructing metallurgists and builders are being built.

Cooperation in the educational sphere is progressing. A large group of Soviet doctors has for a long time rendered assistance in improving the medical service and treatment of various diseases for thousands of

Nigerians.

Under the reached understandings with Soviet organizations geological prospecting for iron ores, coking coals and non-ore raw materials suitable for metallurgical processing began in Nigeria in 1971.

As a result of this work iron ore fields were explored the total reserves of which are estimated at nearly 600 million tons which include industrial ones of 115 million tons. Deposits of partially coking coals were discovered; favourable prospects for non-ore raw material exist.

The explored iron ore reserves are sufficient to ensure operation of the first stage of an iron-and-steel works (capacity 1.3 million tons of steel a year) for 25-30 years.

An intergovernmental agreement on cooperation in constructing a large iron-and-steel plant was signed on the 4th of June, 1976. The leading Soviet design organizations headed by the Leningpromst Institute under the USSR Ministry of Ferrous Metallurgy completed the feasibility study confirming the technical possibilities and economic advisability of constructing a full cycle metallurgical complex in Nigeria and also developed a technical design for a works which Nigeria approved and accepted.

When drawing up the design the main tendencies of the metallurgical industry's development were taken into account and the latest production "know-how" applied.

In this project great attention was given to introducing a biochemical method of purifying industrial sewage and to protecting the environment against pollutants.

The iron-and-steel works includes a sintering plant and a workshop preparing raw material for coke and by-product process, a blast furnace, steel-making and rolling-mill shops, as well as thermo-electric plant-steam water station and repair services.

A special feature of this works is that it has large repair facilities which are in fact a mechanical engineering plant. Repair shops are designed to undertake centralized repair of equipment and provide the works with spare parts which are to be manufactured to the drawings supplied by Soviet organizations.

The works will turn out products needed for the country, such as beams, channels, angles, steel angles, strip steel, hexagonal steel, squares, rounds, T-shaped beams, wire rods and reinforcing-bar steel.

The works will produce 1,350,000 tons of pig iron, 1,300,000 tons of steel and 1,100,000 tons of rolled metal a year.

The Ajaokuta works is designed in such a way that it is possible to expand the range of products, improve their quality, master the output of high-precision sections, develop sheet production, intensify and automatize manufacturing processes. Tyazhpromexport designs, supplies equipment and assembles it. Organizations in the GDR, Czechoslovakia and other CMEA member-countries participate in deliveries of equipment. Tyazhpromexport has helped construct large iron-and-steel works in many socialist countries and also in India, Iran, Algeria, Egypt, Turkey, etc. which have been operating a long time already.

At Nigeria's request Soviet organizations were able in the course of construction to reduce the time of completing the works specified in the contract and put the "320" small-section mill and the "150" wire mill into operation ahead of schedule—in July and December 1983 respectively. The Soviet delegation headed by I. V. Arkhipov, First Deputy Chairman of the USSR Council of Ministers, participated in the ceremony of commissioning the "320" mill.

The putting of the said mills into use well proved the Soviet Union's technical capabilities in constructing iron-and-steel works in foreign countries. Nigeria's newspaper *Daily Star*, July 1983, wrote that the West was rather sceptical about Nigeria's choice of the USSR as a partner in building the iron-and-steel works but the high speed of construction and excellent equipment supplied by the Soviet Union very quickly eliminated all Nigerian people's doubts.

Nigeria highly evaluated the role and significance of the USSR's cooperation and expressed its gratitude for the Soviet Union's constant attention to solving all problems connected with the construction of the Ajaokuta iron-and-steel works.

Nigeria's national organizations actively participate in the construction of the iron-and-steel works. They are also building a town in the vicinity of the works.

The construction of the Ajaokuta project involves the building of relevant enterprises and workshops assuring its operation and utilization of products. Thanks to this large plant a new industrial region is being developed in the country and more employment being found for the local population. Over 10,000



Nigerian workers are participating in constructing the Ajaokuta iron-and-steel works.

As one of the large oil extracting countries Nigeria strives to develop its petroleum industry on a modern basis and the Soviet Union together with other countries renders Nigeria assistance in developing this sector.

The All-Union Association Tsvetmetpromexport under a contract with the Nigerian national oil corporation constructed in Nigeria two petroleum product pipelines (length over 900 km) with five pumping stations. They considerably facilitated the supply of the country's distant regions with liquid fuel and significantly solved the problem of interruptions of its supply. These petroleum product pipelines are of great importance for Nigeria's economy being an integral part of the national petroleum pipeline system and they operate reliably and profitably.

The construction of petroleum product pipelines required great efforts and selfless labour on the part of Soviet and Nigerian specialists. It was carried out under extremely difficult conditions, a substantial portion of the route was laid in marshy country and rocky terrain, it had to cross 43 water obstacles including two navigable sea lagoons.

Training of national specialists is another major trend in Soviet-Nigerian cooperation.

An educational centre training skilled specialists for the oil industry reorganized in 1976 into an institute was set up in 1975 in the town of Warri with the Soviet Union's participation. Over 30 Soviet specialists worked there for several years as lecturers and vocational training instructors.

This Institute, in which nearly 500 students study, including those from other African countries, is the main educational establishment preparing oil specialists.

In the course of construction and operation of the petroleum product pipelines Soviet specialists instructed a great number of electric welders, bulldozer operators, electricians, truck crane operators, mechanics, drivers, etc.

To train specialists for the construction of the Ajaokuta iron-and-steel works and assembly of the equipment, an educational complex was opened in Ajaokuta which annually instructs 2,000 skilled Nigerian workers in 27 trades. The complex prepares

sand blaster operators, gas cutters, operators for painting metal structures, construction electricians, assemblers of technological equipment, truck crane operators, electric welders, etc. Moreover, in the course of construction and assembly work, instruction by a team and individual method was organized, i.e. directly during the work within teams under supervision of Soviet instructors and specialists.

Under the parties' understandings the instruction of over 1,500 Nigerian specialists and workers at the Soviet Union's enterprises is envisaged to assure normal operation of the Ajaokuta iron-and-steel works. Over 500 Nigerian probationers have already been trained at the USSR's iron-and-steel works.

An educational complex comprising a technical school and a vocational centre for 1,500 pupils is being created with the Soviet Union's participation. It will also prepare staff for Nigeria's metallurgical industry. Here, second-class technical personnel and skilled workers for the metallurgical industry will be instructed in pig iron and steel foundry and rolling mill production, sintering and pelletizing of ore, instrumentation, etc.

The educational complex is sited near the iron-and-steel works making it possible for pupils to have practical training directly in workshops.

The Soviet Union supplied the complex with all necessary equipment, training aids, developed educational programmes and also sent instructors there. More and more Nigerian students are being admitted to the Soviet Union's secondary and higher educational establishments to satisfy Nigeria's requirements for first-class specialists.

USSR-Nigeria's economic cooperation becomes more fruitful. Soviet and Nigerian organizations continue finding new projects for cooperation in most varied fields.

An understanding has been reached on setting up an intergovernmental Soviet-Nigerian Commission on Economic, Trade, Scientific and Technical Cooperation whose task will be to promote the further development and strengthening of economic, trade, scientific and technical cooperation between the USSR and Nigeria. The possibilities for continuing geological prospecting, the construction of a gas pipeline, agricultural projects, sending specialists, etc. are under study.

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English translation, "Foreign Trade", 1984

CSO: 1812/89

AFRICA

BRIEFS

FISHING COOPERATION PROTOCOL SIGNED--Ways to further expand and deepen cooperation in the fishing industry were discussed in Konakri at the eighth session of the Soviet-Guinean mixed commission. The talks resulted in the signing of a protocol which provides for the instruction of Guinean specialist on board Soviet fishing, research and merchant vessels, as well as in educational institutions in the USSR. In the first 9 months of this year alone about 50 Guinean seamen received on-the-job training on Soviet trawlers. With Soviet assistance, scientific research has begun for the first time in the republic's economic zone to evaluate fish stocks and draw up practical recommendations on how best to organize fishing on an industrial scale. [Text] [Moscow VODNYI TRANSPORT in Russian 27 Nov 84 p.1] 12258

CSO: 1825/31

## THE AMERICAS

### CEMA TRADE EXHIBITION IN MEXICO REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 46, 1984 (signed to press 5 Nov 84)  
p 20

[Article by V. Labzin, director of Soviet exhibit: "CEMA Exhibit in Mexico"]

[Text] The first joint exhibition by CEMA member countries will be held in Mexico City from November 9 to November 23.

The participating countries are the PRB, HPR, GDR, Cuba, PPR, USSR and CSSR. The exposition consists of two main exhibition complexes--a joint display with a floor space of 220 sq. meters and national expositions with a total area of almost 5000 sq. meters. The national expositions are housed in a round pavilion, each in the form of a segment converging toward the center where the Soviet exposition occupies the hub of the pavillion.

The joint exposition focuses attention on the achievements of socialist economic integration. Part of the joint section is dedicated to the current state and the outlook for economic, scientific and technological ties between the CEMA countries and Mexico.

The Soviet stand vividly reflects the successes of the world's first socialist country in all areas of economic and cultural construction. Also highlighted are Soviet-Mexican economic, scientific and technological ties. One of their new chapters began with the implementation of an agreement concluded ten years ago between V/O [All-Union Association] Traktoroeksport and the Mexican state corporation (Siderurjico Nacional) ("Sidena") concerning shipments to Mexico of units and parts for the assembly of Soviet T-25 tractors. This agreement, as the Mexican press has time and again underlined, enables the tractors to be sold on the domestic market at a price the Mexican peasant can afford. So far 5000 Sidena tractors have been assembled in Mexico and sold.

The All-Union Trade Association Tekhmasheksport has on display new models of Soviet textile machinery, another major item of our exports to Mexico. Among the exhibits is the STB, a loom that conforms to the strictest world standards and is manufactured by a Cheboksary plant in cooperation with enterprises in Hungary, Poland and Czechoslovakia.

The CEMA exhibition in Mexico evoked a great deal of interest among business circles and the public at large not only of Mexico, but of other Latin American countries as well.

12258

CSO: 1825/31

ASIA

BRIEFS

NEGOTIATIONS, AGREEMENTS WITH PRC--From 21-23 December 1984, First Deputy Chairman of the USSR Council of Ministers I.V. Arkhipov and PRC Vice Premier Yao Yilin held three meetings during which they briefed each other on the economic situations in their countries and also exchanged views on areas of further development of trade-economic and scientific-technical cooperation between the two countries. Both sides discussed issues relating to the signing of accords for economic and technical cooperation, accords on scientific-technical cooperation and accords on the establishment of a Sino-Soviet commission for economic, trade and scientific-technical cooperation and reached agreement on these issues. Both sides also agreed to sign during the first half of 1985 a long-term agreement on trade and payments for 1986-90. In connection with this, negotiations will be held between the appropriate organizations during the first quarter of 1985. During the course of the negotiations, views were exchanged on the issue of bilateral relations. [Excerpt] [Moscow EKONOMICHESKAYA GAZETA in Russian No 1, Jan 85 p 22] The signing of the Sino-Soviet documents took place on 28 December 1984 at the National People's Congress in Beijing. Accords were signed between the governments of the USSR and PRC for economic and technical cooperation, scientific-technical cooperation, and to establish a Sino-Soviet commission for economic, trade and scientific-technical cooperation. The documents were signed by I.V. Arkhipov, first deputy chairman of the USSR Council of Ministers and PRC Vice Premier Yao Yilin. [Excerpt] [Moscow EKONOMICHESKAYA GAZETA in Russian No 2, Jan 85 p 21]

COAL INDUSTRY PROTOCOL--Delhi--A protocol signed in Delhi following the fourth session of the Soviet-Indian coal industry working group provides for further expansion of the mutually beneficial cooperation between the two countries in the exploration and mining of coal. In accordance with this document, which will run from 1985 to 1990, the Soviet Union will render assistance to India in implementing a number of new projects, including the construction of several coal-enriching plants. The protocol encompasses cooperation in coal surveying with the aid of the most modern methods and technology, among them space photographs of the territory of India. Also discussed by the working group were problems relating to the enterprises of India's coal-mining industry. Commenting on the results of the meeting, the local press emphasizes the fact that collaboration with the Soviet Union plays an important role in strengthening and developing this sector of the national economy. [Text] [Moscow SEL'SKAYA ZHIZN' in Russian 25 Nov 84 p 3] 12258

CSO: 1825/31

CEMA/EASTERN EUROPE

GDR: ECONOMIC GROWTH, NATURAL RESOURCE PROBLEM DISCUSSED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian (signed to press 9 Oct 84) No 10, 1984, pp 7-12

[Article by Doctor Gerhard Weiss, deputy chairman of the GDR Council of Ministers, permanent GDR representative to CEMA: "Thirty-Five Years of Socialist Construction in the GDR"]

[Excerpt] THE GDR -- A STABLE, INTEGRAL PART OF THE SOCIALIST COMMUNITY

The SED and GDR government have always viewed their primary task in foreign policy to be strengthening the alliance with the USSR and other fraternal countries and actively contributing to strengthening the unity and cohesion of our community. Consequently, the GDR's entry into CEMA in September 1950 was a logical decision.

Active GDR participation in the activity of this most important international economic organization of socialist countries became the inalienable prerequisite for the development of the republic's economy independent of imperialist influences and for the successful development of its productive forces, as well as socialist production relations.

At the 10th SED Congress, Comrade Erich Honecker emphasized that "...cooperation between the German Democratic Republic and the fraternal countries in all areas of life swiftly moved forward and was enriched with valuable experience. The indissoluble fraternal alliance with the USSR and firm consolidation of the republic in the community of socialist states was and always will remain for our people...the stable basis of its security and successes in the construction of a developed socialist society."

The GDR is extensively involved in international division of labor within the framework of CEMA. Approximately 63 percent of our foreign trade is with CEMA countries.

Important tasks of introducing scientific and technological achievements are being accomplished in close cooperation with the USSR and other CEMA member countries. Specialization and cooperation in machine building, electrical engineering and electronics are of increasing importance in developing and producing new generations of high technology machines and equipment.

Extensive and stable deliveries of raw materials and energy, as well as machinery and equipment from the USSR are extremely important in ensuring the dynamic development of our country's economy.

#### NEW STAGE OF COOPERATION

The economic summit of CEMA countries held in June 1984 marked the beginning of a new stage in their further successful cooperation. The decisions and documents adopted at the conference in an atmosphere of total unanimity are indicative of the increased international fraternal cohesion of the fraternal parties and CEMA countries, and their firm resolve to use all-round cooperation still more effectively for the benefit of each individual country and in the interests of strengthening the socialist community as a whole.

At the same time, the CEMA countries' senior representatives emphasized that states within the community will continue to adhere to the fundamental policy of developing economic and trade relations, as well as scientific and technological cooperation with all countries worldwide, on the basis of mutual benefit, equality, non-interference in internal affairs and observance of international commitments.

The SED Central Committee Politburo and GDR Council of Ministers fully approved the results of the Economic Conference, which opened extensive new prospects for all-round cooperation. They affirmed the "policy of consistent orientation of cooperation within CEMA toward solving tasks of intensification of production. This will facilitate accelerating scientific and technological progress and improving its economic effectiveness; improved labor productivity; more effective use of existing funds and the achievement of an advantageous correlation between expenditures and results."

The measures mentioned for extending the coordination of economic policy have an extremely important role. It is very important to work out collectively ways of solving major economic problems and to generalize advanced experience in building socialism and communism in the fraternal countries.

The SED Politburo and GDR Council of Ministers confirmed that the German Democratic Republic will contribute actively to implementing the decisions of the Economic Conference aimed at further extending socialist economic integration and close cooperation with the fraternal countries.

Konstantin Ustinovich Chernenko and Erich Honecker noted at their meeting during the Economic Conference that our close mutual cooperation is playing an ever greater role in implementing the decisions of the congresses of both fraternal parties.

The GDR always strives to fulfill conscientiously its commitments to its partner countries through preparing and carrying out integrating measures precisely, and to facilitate cooperation among CEMA member countries, taking into account the conditions of the 1980's and subsequent period.

## THE GDR -- AN IMPORTANT PARTNER OF THE FRATERNAL COUNTRIES

The German Democratic Republic participates actively in all the major measures for bilateral and multilateral economic and scientific-technological cooperation. Important economic problems are solved jointly with the USSR and other fraternal countries.

Within the framework of the Program for Specialization and Coordination of Production Through 1990, the GDR and USSR are combining the resources and capabilities of both countries on a mutually advantageous basis to solve jointly major and long-range economic tasks.

The key areas of scientific and technological cooperation between our countries are primarily microelectronics, microprocessing and robotics. This involves the large-scale introduction of microprocessors into the economy and the development, production and mutual exchange of new generation robot equipment.

The fulfillment of agreements in these areas was discussed at the 110th session of the CEMA Executive Committee held in June 1984. It was noted that fulfilling these agreements is creating important prerequisites for expanding the production and mutual deliveries of the latest equipment, and that further cooperation is being accomplished on the basis of coordinated concepts of scientific and technological development.

Practical results have been obtained in numerous other areas of scientific research; for example, in the development of new technologies in the chemical industry, metallurgy and space exploration.

We must continue most persistently along the path begun of concentrating efforts in key areas of scientific and technological progress. Tasks and results of scientific and technological cooperation must become integral to specialization and cooperation in production and to economic plans.

The GDR is using the advantages of the international socialist division of labor to concentrate its scientific research and design capability and accelerate the process of updating equipment.

On the basis of long-term agreements on specialization and cooperation in production, the structure of machine tool manufacturing in the GDR is more and more being defined in terms of such high quality machines as precision machine tools, machine tools with numerically programmed controls, machine tool lines and flexible production centers which make it possible to combine them in fully automated production lines.

In accordance with the demands of modern shipbuilding, as well as long-term agreements on exports of the products of this branch to the USSR and other socialist countries, products delivered from GDR wharves were significantly updated. Thus, more than 50 percent of ship deliveries now being made to the USSR are of new type ships. These examples are indicative of the GDR desire to ensure constant development of exports of machine building products

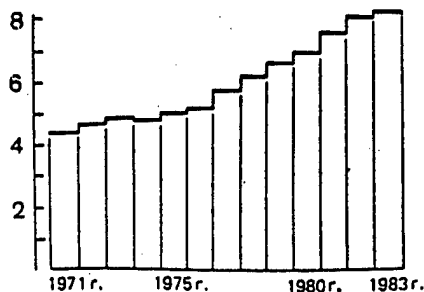


through scientific and technological updating and improving the functional and operational characteristics of the products.

The GDR is an important partner of the other CEMA member countries in terms of the large share of its foreign trade conducted with the fraternal countries. Entire branches of GDR industry are working with an overwhelming portion of their capacity to produce products for export to the USSR and other CEMA countries. In 1983, our republic's share in the overall volume of Soviet import was: in deliveries of machine tools -- more than 30 percent; in petroleum refining equipment -- 27 percent; in printing machinery -- 46 percent; in agricultural machinery and equipment -- 44 percent; in refrigeration plants and air conditioning equipment -- more than 53 percent.

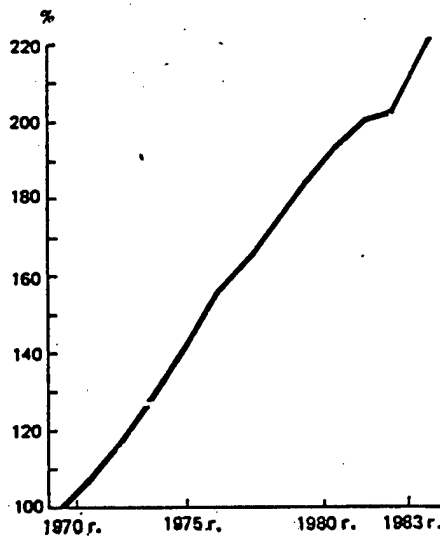
A primary economic task of GDR combines and enterprises is the orientation of their export goods to the needs of the USSR and other partner countries, in order in turn to create the prerequisites for importing products important to the GDR economy.

Динамика затрат на  
развитие науки и техники  
(млрд. марок)



Expenditures for the Development  
of Science and Technology  
(billions of marks)

Рост внешнеторгового оборота  
в сопоставимых ценах  
(1970 г. = 100)



Growth of Foreign Trade Turnover  
in Constant Prices  
(1970 = 100)

## SOLVING RAW MATERIALS PROBLEMS WITHIN THE FRAMEWORK OF THE SOCIALIST COMMUNITY

The GDR is solving the difficult task of providing the economy with raw materials and energy in accordance with the fundamental policy agreed within CEMA. A constantly increasing share of the savings fund in our country is devoted to the development of our own raw materials and fuel resources.

Production of run-of-mine brown coal as the main energy source for the GDR economy increased from 247 million tons in 1975 to 278 million tons in 1983. Its share in the overall expenditure of primary energy sources exceeded 71 percent. Other raw materials, for example low calorific natural gas, tin, lime, sand and clay also began to be used widely. The use of secondary raw materials is playing an ever increasing role. At present its share of the raw material supply constitutes 11.5 percent.

Although substantial efforts are being made to mobilize its own resources, the GDR depends as before on the import of vitally important raw materials and energy, most of all from the USSR. The coordination of economic plans for the period 1986-1990 must create the prerequisites for the continued delivery of important types of raw materials and energy sources in the coming years, on the basis of mutually advantageous trading relations.

Cooperation with the fraternal countries in the energy area is especially important to the GDR economy. Large thermoelectric power stations and nuclear power stations are being built in close cooperation with the USSR and other CEMA countries.

Approximately half of the electric power produced in the GDR will come from these power stations. There are new tasks ahead in the area of nuclear power. The GDR is participating in the major program of the CEMA countries to specialize and cooperate in the production of equipment for nuclear power stations and is using the fruits of the international division of labor in the process of accelerating development in this area.

The chemical industry is an important area of cooperation. New capacities are being built in the USSR to produce power consuming chemical products, within the framework of a corresponding inter-governmental agreement. Production capacities for producing higher quality chemical products are being expanded in the GDR to provide for corresponding reciprocal deliveries. This useful division of labor will be still further expanded in the interests of mutual advantage. Mutual deliveries of various products are also being expanded as a result of the fulfillment of other long-term cooperative programs. These include feed supplements, dyes and intermediate chemical products.

The following task was set as a result of the economic strategy adopted by the 10th SYePG Congress: "...achieve the outlined objectives for production growth and increased economic end products using existing funds of energy, raw materials and materials, based on a qualitatively new level of energy and material savings." It is necessary to mobilize most persistently those reserves to be found through intensifying savings of materials. An important

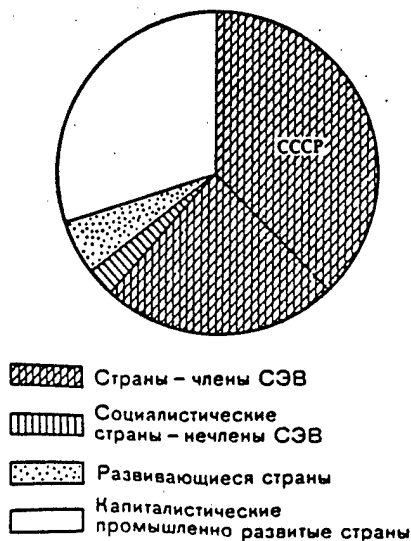
role is played in this, for example, by the widespread use in materials production of solid and liquid fuel and its high level refining, in particular coal hydrogenation and gasification. Numerous positive results have been achieved in the GDR during the process of accomplishing these tasks.

The main directions for international cooperation in these areas were outlined in the decisions of the CEMA session in Berlin (37th Session). The GDR is supporting these measures by expanding its sharing of experience and achievements, as well as by the development, production and mutual deliveries of modern technologies.

Providing the energy and raw materials base through joint efforts is one of the key areas of cooperation among the fraternal countries. The GDR is participating actively in this, for example by increasing the output of oil and natural gas in the USSR and transporting these products, as well as through producing iron containing ores, ferrous and nickel alloys, rolled ferrous metals, cellulose, asbestos and nutrient yeasts.

Viewing the providing of raw materials and fuel as a collective task of the CEMA member countries, the GDR considers it necessary to use various forms of cooperation.

Структура  
внешнеторгового оборота в 1983 г.



Structure of Foreign Trade  
Turnover in 1983

On the basis of long-term programs of cooperation in the areas of agriculture and the food industry, the GDR is participating actively in expanding the material and technical base of this important sector of the CEMA countries' economy. The objective is to increase agricultural production, preserve and transport agricultural products with the least losses, and process it into high quality foods.

The production of agricultural machinery and equipment involves extensive specialization and cooperation. The GDR increased its export of these products to the fraternal countries from 127 million rubles in 1970 to 746 million in 1983 on the basis of bilateral and multilateral agreements.

Cooperation in implementing the USSR Food Program is especially important. In the Soviet Union we are carrying out joint construction and redesign of refrigerators, dairies, bakeries, breweries and other facilities numbering over 500.

Owing to the growing needs of the USSR and other fraternal countries, the GDR is delivering machinery and equipment for production of a wide variety of consumer goods and high quality products which are in mass demand. An agreement with the USSR has been reached to develop modern production technologies for this branch, as well as to modernize and redesign enterprises and production facilities in both countries.

The gradual drawing together and equalization of the economic levels of the countries of the socialist community is an objective historical law of the development of the world socialist system. Accelerating the economic growth of the MNR [Mongolian Peoples Republic], the Republic of Cuba and the SRV [Socialist Republic of Vietnam] is particularly important in this regard.

Together with the USSR and the other countries of the socialist community, the GDR is assisting the MNR, Cuba and the SRV in constructing industrial facilities, developing science and technology and in the all-round training of cadres.

The special cooperative measures outlined in the Comprehensive Program for Socialist Economic Integration help accelerate the economic development of these countries, and involve them still more actively in the international socialist division of labor.

The successful 35 year cooperation among the CEMA member countries has proven beyond any doubt that socialism, relying on its growing economic and scientific-technological capability, the advantages of a socialist planned economy and the unity and cohesion of our community, is able to solve successfully the most difficult national and international problems to the benefit of the peoples and in the interests of peace.

As is noted in the joint declaration of the SED Central Committee Politburo and the GDR Council of Ministers, the German Democratic Republic, based on the decisions of the 10th SED Congress, will contribute actively to implementing the decisions of the CEMA member countries' Economic Summit Conference, aimed at the further extension of socialist economic integration.

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CEMA/EASTERN EUROPE

LIBIG SPEECH TO FOURTH GENERAL UNIDO CONFERENCE

Moscow EKONOMICHESKOYE SOTRUNDICHESTVO STRAN-CHLENOV SEV in Russian (signed to press 9 Oct 84) No 10, 1984, pp 62-64

[Speech by V. Libig, chief of the CEMA delegation and CEMA deputy secretary]

[Text] The participants in the Moscow CEMA summit meeting affirmed the need to increase the role of the United Nations and its organizations as an important forum for combining states' efforts to strengthen peace and international security and contribute to solving urgent world problems.

The 4th General UNIDO Conference was held in August 1984 in Vienna. A CEMA delegation headed by V. Libig, CEMA deputy secretary, took part in its work. The text of his speech at the Conference plenary session is published here.

The 4th UNIDO General Conference is discussing important questions of the industrialization of the developing countries, in the light of the fulfillment of the Lima and Delhi declarations and action plans. It is called upon to determine the main features of economic growth strategy for the developing countries and UNIDO tasks for the future.

I would particularly like to invite your attention to the fact that a CEMA economic summit meeting was held in Moscow in June 1984. The long-term strategy for actions by the countries of the socialist community for developing their economies and mutual cooperation was worked out collectively at the meeting. The documents adopted there contain a well-developed program for improving international economic relations. The participants in the Moscow summit meeting generalized the rich CEMA experience in the organization of international economic relations of a new type, based on the principles of socialist internationalism, respect for state sovereignty and national interests, non-interference in internal affairs, complete equality, mutual advantage and comradely mutual assistance. This is precisely why our organization has the name "Council of Economic Mutual Assistance." We are sure that CEMA's 35 years of experience could also be valuable for the developing countries as they solve problems of industrial development and cooperation.

Today CEMA unites 10 socialist countries on three continents: Europe, Asia and America. Between 1950 and 1983 national income increased 8.7 fold in the CEMA countries, as compared to 3.3 fold in the developed capitalist countries. During this period the CEMA countries accomplished a structural reorganization and increased industrial production 14 fold. Countries such as Bulgaria and Rumania increased their production 27 and 36 fold, respectively.

The successes of the CEMA countries are indisputable proof of the advantages of the socialist system.

The industrialization experience of the CEMA countries shows that this process has a number of common features in the various countries and, at the same time, has specific attributes related to natural, geographical and historical conditions, national traditions and a number of other factors.

Fundamental social and economic transformations and maximal mobilization of domestic resources, along with the use of the advantages of the international socialist division of labor and assistance rendered by the more developed countries to those less developed, are providing for the gradual drawing together and equalization of the level of economic development of the CEMA countries. The statute on the drawing together and equalization of the levels of economic development is a most important requirement of the CEMA charter and other fundamental documents of our organization. It is in complete accord with the demands advanced in a number of UN, UNIDO, Group 77 and other programs.

Providing for the accelerated growth and improving the efficiency of the economies of the Socialist Republic of Vietnam [SRV], the Republic of Cuba and the Mongolian Peoples Republic [MNR] have a special place today within the framework of the overall problem of the gradual drawing together and equalization of the CEMA countries' levels of economic development.

Implementing the decisions of their governing parties, the peoples of the SRV, Cuba and the MNR achieved significant successes in fulfilling plans for socialist economic development. This is the result of maximal mobilization of their own efforts and the effective use of economic and technical assistance given by other CEMA countries. Assistance to the SRV, Cuba and the MNR organized within the CEMA framework is being implemented on the basis of long-term programs and multilateral general agreements. Special cooperative measures aimed at accelerating the development and improving the efficiencies of the economies of the SRV, Cuba and the MNR are being implemented successfully in accordance with the Comprehensive Program. They provide for strengthening the material and technical base, improving the structure of the economy, accelerating scientific and technological progress, intensifying the search for mineral resources, expanding the participation of the SRV and Cuba in international specialization and cooperation in production, raising their export capabilities, developing their infrastructures and training cadres.

Based on proposals from the SRV, Cuba and the MNR, CEMA has worked out and is implementing 15 general multilateral agreements on cooperation in the fields of geology, agriculture, industry, transport, communications, science and technology, which is facilitating their more active participation in the

process of the international socialist division of labor, taking into account their individual natural resources and economic conditions.

For their part the SRV, Cuba and the MNR are participating actively in implementing cooperative projects on the territories of other CEMA countries.

Along with multilateral cooperation, interested CEMA countries are continuing to give economic and technical assistance on a bilateral basis to these countries through feasibility studies, design, construction and assimilation of capacities in a large number of important facilities in the areas of energy, industry, agriculture, etc.

An additional means used when necessary within CEMA in developing the economies of the less industrially developed countries is the use of advantageous conditions for cooperation, such as granting advanced industrial technology and credits on favorable terms, temporary preferential treatment and opportunities for extensive participation in industrial specialization and cooperation, including the selection of new industrial branches. The less industrially developed countries are given a stable and constantly expanding market for the sale of their products within CEMA.

The approach of the CEMA countries to the problems of equalizing the level of economic development differs sharply from the practice of capitalist countries. In this regard I am permitting myself to refer directly to the text of the Declaration adopted by the CEMA economic summit, where it is noted that the imperialist states are transferring the burdens of the economic crisis to the shoulders of the peoples in developing countries, are continuing to intensify their neo-colonialist exploitation and are seeking to create conditions which will facilitate the penetration of foreign capital into their economies, most of all by trans-national corporations. The economic development of the developing countries becomes substantially more complicated and frequently is completely paralyzed under the influence of such factors as worsening trade conditions in international markets, in part caused by the substantial drop in real prices for raw material products, huge foreign indebtedness and tightened conditions for granting credits. As a result, the disparity in their levels of economic development is increasing by comparison with the developed capitalist states and the poverty and hunger of hundreds of millions of people is worsening.

Responsibility for the lagging economies of the developing countries rests with the former colonial mother countries which, as compensation for damage caused, should substantially expand their transfer of resources, reduce the debt burdens of developing countries and provide them access to international sources of credits under advantageous conditions.

I would like to emphasize especially that the leaders of the communist and workers' parties and the heads of the governments and states of the CEMA countries consider it imperative to work more actively to restructure international economic relations on a just and democratic basis and to establish a new economic order.

It was again emphasized from the podium of the CEMA economic conference that the CEMA countries will continue to render economic and technical assistance to the limit of their abilities to the countries of Asia, Africa and Latin America.

The CEMA member countries consistently come out in favor of developing equal, mutually advantageous cooperation with the developing countries and for eliminating discrimination and inequality from worldwide economic relations, and they support the demands of the former colonial states for economic decolonialization and for halting the flow of capital and the loss of skilled cadres from the developing countries.

As can be seen from the speeches of the CEMA country delegates in this forum, the countries of the socialist community not only support the just demands of the developing countries, but also, through their relations with these countries, contribute to affirming just norms and principles of international economic relations. The scale of cooperation between the CEMA countries and the developing countries is constantly increasing. Whereas in the early 1960's they provided economic and technical assistance to 34 developing states, at present this number exceeds 100. The volume of cooperation increased more than 20 fold. Several thousand industrial and other facilities have been and are being built in the developing countries with the assistance of the CEMA countries. Approximately 3/4 of the entire amount of assistance is for the development of industry and energy.

Expanded cooperation and improvement of its forms are expressed in the increase in foreign trade turnover. At present the CEMA countries trade with almost all the developing countries and this trade is growing at unprecedented rates. With an overall 11-fold increase in CEMA countries' commodity turnover from 1960-1983, their trade with the developing countries increased almost 18 fold. As a result, the share of these countries in CEMA foreign trade turnover increased significantly and reached 11.4 percent.

It is very significant that the increase in economic cooperation between the CEMA and the developing countries continued even in recent years. In 1983 the commodity turnover between CEMA and the developing countries increased 26 percent compared to 1980, while the overall volume of foreign trade by the developing countries increased by approximately 10 percent.<sup>1</sup>

Another characteristic aspect is the increased imports of industrial manufactured products by CEMA countries from the developing countries. Thus, in 1983 imports by CEMA countries of machinery, equipment, transport means, chemical products and industrial consumer goods from the developing countries were almost seven times greater than in 1960.

The planned nature of the economies of the CEMA countries enables them to structure trade and economic relations with the developing states on the basis of five-year and longer term agreements, which puts a firm base under these relations and makes them stable.

The economic and technical assistance of CEMA countries to interested developing countries is concentrated, in accordance with their requests,



mostly on strengthening the state and cooperative sectors of their economies. This facilitates achieving optimal economic results and mobilizing and using resources on a national scale in the interests of the whole population, rather than of individual strata and groups.

Strengthening of the state sector meets prerequisites for the introduction of scientifically based systems for economic planning and management. At present more and more developing countries see state planning as a real way out of the clutches of backwardness and economic dependence on foreign monopolies.

The CEMA countries render selfless assistance to interested developing countries in creating a national planning system including an information and statistical base; developing plans and programs for industrial development and long and mid-range programs for bilateral economic, trade and scientific-technological cooperation, as well as in training and increasing the professional qualifications of national economic planning cadres.

Invariably adhering to their fundamental positions stated in the joint statement at the 11th Special Session of the UN General Assembly and at the present 4th UNIDO General Conference, the CEMA countries are directing their efforts toward contributing to the implementation of the progressive goals and tasks of the International Strategy for the Third Decade of UN Development.

It goes without saying that all the efforts to achieve the final objective of the International Developmental Strategy for the 1980's -- improving living conditions for all people -- will remain unsuccessful unless stable peace on the planet is ensured. This is why the CEMA countries favor a policy of peaceful coexistence, international detente and disarmament and equal cooperation. Huge resources now expended on the arms race could be used for objectives of social and economic development, including assistance to the developing countries. These and other proposals by the socialist states are well known. As was emphasized at the Moscow economic meeting, the CEMA countries are prepared to participate actively in their implementation, as well as in the realization of specific initiatives advanced by other states in the area of detente and disarmament.

The CEMA countries decisively reject the policy of the most aggressive imperialist circles aimed at further aggravating international tension. This policy threatens peace and contradicts the interests not only of the CEMA countries, but also those of other states, including the developing countries, and represents a violation of generally recognized norms of international life and the principles of the UN Charter.

We note with satisfaction that since the granting of consultative status in UNIDO to CEMA in 1971 relations between our two organizations are becoming increasingly effective. The Agreement on Cooperation Between CEMA and UNIDO, signed in June of this year, is undoubtedly an important event in the history of relations between our organizations. This Agreement takes into account the positive results of cooperation between our organizations already achieved, and opens up great opportunities for its further development and expansion for purposes of contributing to social and economic development and accelerating

the industrialization of the developing countries on the basis of documents which define the authority of CEMA and UNIDO.

The International Institute for Economic Problems of the World Socialist System prepared a study especially for this General Conference on the topic: "CEMA: Industrialization Practice and Creation of an Effective Economic Structure Under Conditions of Mutual Cooperation," which we are providing to your organization.

Stemming from the provisions of the Agreement concluded between our organizations, the CEMA Secretariat is prepared to continue to expand cooperation with the UNIDO Secretariat, to exchange materials on CEMA and UNIDO activities in specific fields of industrial development; to participate in measures to acquaint representatives of developing countries with CEMA experience; and to cooperate in preparing joint research related to solving the tasks of industrialization.

#### FOOTNOTE

1.. "Yezhemesyachnyy statisticheskiy byulleten' OON [UN Monthly Statistical Bulletin], 1984, No 2.

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CSO: 1825/38

CEMA/EASTERN EUROPE

YUGOSLAV TIES TO CEMA REVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 49, 1984 (signed to press 27 Nov 84)  
p 21

[Article by B. Vyazovov and Candidate of Economic Sciences N. Semin:  
"SFRY - CEMA: Fruitful Cooperation"]

[Text] On November 29 the peoples of the Socialist Federated Republic of Yugoslavia celebrate a major national holiday--the 39th anniversary of the establishment of the republic. The years of socialist construction have brought large-scale socioeconomic transformations to Yugoslavia. The cornerstone of the Yugoslav economy is the public sector which rests on a solid industrial base and produces 85 percent of the republic's GNP.

Yugoslavia's burgeoning and fruitful collaboration with the Soviet Union and other CEMA countries is the subject of this article.

The regular CEMA session held in Havana at the end of October 1984 noted the successful development of mutually beneficial economic cooperation between the CEMA countries and the SFRY. No small part in this belongs to the successful implementation of the agreement signed in September 1964 between CEMA and the government of Yugoslavia concerning cooperation with the Council's organs on problems of mutual interest. This cooperation involves seven spheres: foreign trade, currency and financial relations, ferrous and non-ferrous metallurgy, machine building, the chemical industry as well as coordination of scientific and technological research.

In the two decades since the conclusion of the agreement Yugoslavia's trade with the CEMA states has grown more than twentyfold. The latter now account for over 40 percent of Yugoslavia's foreign trade turnover.

In 1983 the volume of trade between the USSR and Yugoslavia reached 5 billion rubles as against 0.5 billion in 1970.

Yugoslav organizations and the CEMA countries have concluded 120 agreements on production specialization and cooperation as well as collaboration in the fields of science and technology. A significant proportion of these

agreements provides for Yugoslavia's participation in specific long-term projects.

Almost half the agreements on specialization and cooperation involve machine building. Yugoslavia specializes in the production and export of metal-working machinery, some types of equipment for atomic power stations, transport machinery, ships, instruments, hydraulic and pneumatic assemblies and parts, and medical instruments. This has enabled Yugoslavia to rapidly increase the export of specialized products of its machine building industry to the CEMA countries. In 1980-1982 alone it rose from 178 to 435 million dollars.

Nuclear machine building, which is highly science-intensive, illustrates like no other sphere the advantages to be gained from the international socialist division of labor which allows a country with limited resources to rapidly master the production of advanced machinery. The leading Yugoslav enterprises Juro Jokovic, Yugoturbina, Litostroy, and Energoinvest association and others, using Soviet manufacturing instructions, quickly mastered the production of emergency and feed pumps and stainless steel fittings for AESes which are exported to six CEMA countries. In 1981-1985 alone the Soviet Union will receive AES equipment from Yugoslavia worth 200 million dollars.

One of the most developed sectors of the Yugoslav national economy is the chemical industry which too plays an active role in the international division of labor. Crop protection substances, pharmaceutical commodities, auxiliary materials for light industry, rubber goods, chemical and biochemical livestock fodder additives, pulp and paper industry products--such is the far from complete list of chemical products exported by Yugoslavia to the CEMA countries in line with its specialization. These shipments amount to over 500 million dollars a year. At the same time Yugoslavia buys part of the chemical products it needs from the CEMA states.

Evolving at a rapid rate is Yugoslavia's non-ferrous metallurgy which accounts for about 6 percent of the country's export earnings. The development of the industry is likewise abetted by broad collaboration with the Soviet Union and other CEMA members. Built in recent years with technical assistance from the USSR and with Hungarian participation was the major industrial complex Birac whose production capacity is 600 thousand tons of alumina annually. It is equipped with Soviet mechanisms. The Soviet Union also renders assistance to Yugoslavia in the construction of a complex to mine and manufacture 12 thousand tons of nickel a year.

Since 1965 Yugoslavia and the CEMA countries have been actively involved in the mutual utilization of temporarily idle production facilities in non-ferrous metallurgy and the exchange on that basis of that industry's output. Since then Yugoslav plants have thus produced 216 thousand tons of non-ferrous metallurgy semimanufactures for CEMA countries from customer-supplied raw materials. Conversely, 161 thousand tons of semimanufactures were produced by CEMB enterprises for Yugoslavia.

The SFRY also participates in exchanges of ferrous metallurgy products. Steel production in the republic does not as yet cover all its internal needs.

The bulk of its imports comes from CEMA member countries under the auspices of the international economic organization Intermetall. In 1983 Yugoslavia received 804 thousand tons of metal from CEMA states. Yugoslav organizations collaborate with various CEMA countries in the matter of improving the technical level of metallurgy equipment and the quality of rolled metal, developing new refractory materials, automating production processes and protecting the environment.

Yugoslavia's cooperation with CEMA countries in various sectors of the agroindustrial complex is developing quite successfully.

Under the auspices of the CEMA Standing Committee for collaboration in the food industry Yugoslavia takes part in, for example, joint efforts to develop machinery for processing oil-bearing plants and improve the production process in the manufacture of edible fats and the canning of vegetables and fruits.

The importance of expanding cooperation with socialist countries that do not belong to CEMA was underlined by the summit economic conference of CEMA members held in Moscow. A declaration issued by the conference put it thus: "The leaders of the Communist parties and the heads of government of the CEMA member states deem it imperative to continue the consistent development of economic cooperation with socialist countries that are not members of CEMA because of the important role this cooperation plays in the economic growth of each country and the strengthening of socialism's position in the world."

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CSO: 1825/31

CEMA/EASTERN EUROPE

CEMA-YUGOSLAV CONFERENCE HELD IN YEREVAN

Yerevan KOMMUNIST in Russian 1 Nov 84 p 3

/Report on conference (ArmenPRESS): "Conference of Representatives of Chambers of Commerce of CEMA Member Countries and the Socialist Federal Republic of Yugoslavia"

/Text The 24th conference of the representatives of chambers of commerce of the member countries of the Council for Mutual Economic Assistance and Yugoslavia began in Yerevan on 30 October.

Ye. P. Pitovranov, chairman of the USSR Chamber of Commerce and Industry, opened the conference.

A. M. Kirakosyan, first deputy chairman of the Armenian SSR Council of Ministers, welcomed the guests on behalf of the republic's government.

The conference of the leaders of CEMA member countries held in Moscow, he said, is of great political and social-economic importance in the cause of strengthening brotherhood and friendship among socialist states, expanding their fruitful interaction and consolidating unity and solidarity. The time of the holding of the regular conference coincides with the 29th meeting of the CEMA session held in Havana these days, which will be of basic importance for strengthening the political and economic positions of socialism at the world arena.

Comrade A. M. Kirakosyan noted that the Armenian SSR was making its contribution to the development of foreign economic relations. Armenia's products are delivered to 77 countries throughout the world, including to all the countries of the socialist camp. International exhibits and symposiums are often held in the republic.

I. Korzhinek, adviser to the council's secretariat, welcomed the participants in the conference on behalf of the CEMA and wished them productive work.

Representatives of chambers of commerce of Bulgaria--P. Rusev--of Hungary--T. Bek--of Vietnam--Huang Thuk Bing--of the GDR--G. Lemnitzer--of Cuba--Jose Miguel Mirabel--of Mongolia--N. U. Dorzh--of Poland--R. Karski--of Romania--O. Moarkash--of the USSR--Ye. Pitovranov--and of Czechoslovakia--L. Cherny--as well as E. Dobarzhich, representative of the economic chamber, stressed that during the 35 years of CEMA activity economic cooperation among socialist states was strengthened and the volume of trade turnover increased 31-fold.

Chambers of commerce of CEMA member countries play an important role in the development of foreign trade and improvement in industrial-economic and scientific-technical relations. Under the conditions of aggravation of the international situation they actively maintain contacts with international economic organizations and firms in capitalist countries and promote the expansion of trade and business relations.

The conference will discuss problems of improving the activity of chambers of commerce and coordinating joint actions in international economic organizations and others.

11,439

CSO: 1825/26

CEMA/EASTERN EUROPE

PRAVDA NOTES ACHIEVEMENTS OF VIETNAM'S ECONOMY

Moscow APN DAILY REVIEW in English 16 Jan 85

[Text] Vietnam has confidently entered the current year of 1985 which is the last year of its Third 5-Year Plan period, PRAVDA's special correspondents, who have recently visited the Socialist Republic of Vietnam, write.

In 1984, many industries of the republic fulfilled the plan assignments, despite the serious shortage of power and the raw and other materials, as well as spare parts, the Soviet journalists note. For instance, industrial output at the enterprises of Hanoi went up by 13 percent and of Hochiminh--by more than 16 percent. The work of transport, which is one of the most important sectors of the economy and at the same time one of the most war-ravaged ones, somewhat improved. The volume of the cargoes transported in 1984 exceeded the respective figure for the previous year by 6 percent. The Communist Party of Vietnam and the government of the republic focus their efforts on building the key projects, such as the Hoa Binh hydroengineering complex on the Black River, the thermal power station in Pha Lai, and the factories for producing cement and chemical fertilizers.

The ceremony of putting into operation the second stage of the Bim Son factory with an annual capacity of more than one million tons of cement was held in the first days of the new year, the PRAVDA correspondents note. The speakers at the rally held to mark this signal event thanked the Soviet people who helped build one of the most important projects of the current 5-year plan period.

"The Socialist Republic of Vietnam has registered certain successes in agriculture, industry, transport and capital construction, despite the serious natural calamities which hit Vietnam, especially in 1984, when great ordeals befell all the areas of Vietnam, and in spite of some difficulties of the domestic and external character," Secretary of the Central Committee of the Communist Party of Vietnam Hoang Tung told the Soviet journalists. "Control in the trade sphere has been improved and the tendencies to socialist changes in the south of the country have intensified. This gives grounds to hope for more successful development of the economy not only in the last year of the current 5-year plan period but in the future, too.



"The main task of this year is to ensure a sizable increment in agricultural output," Hoang Tung emphasized. "Priority must be given to the production of foodstuffs. At the same time, serious attention is given to the necessity of boosting the output of goods in everyday demand for supplying the population with them and for export. The CPV demands that the role of the key industrial plants in helping agriculture be enhanced and that further headway in the economy be ensured. In 1985, it is necessary to stabilise the living standards of the people, first of all the working class, the cadres and office workers, and to begin to gradually improve them, and at the same time to increase the allocations of funds for setting up the material and technical base of socialism."

(PRAVDA, 15 January. Summary)

CSO: 1812/114

WESTERN EUROPE

USSR-SPAIN: AGREEMENT ON ECONOMIC AND INDUSTRIAL COOPERATION

Moscow FOREIGN TRADE in English No 11, 1984 pp 53-54

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of Spain,

taking into account the provisions of the Trade Agreement Between the Government of the Union of Soviet Socialist Republics and the Government of the Spanish State signed on September 15, 1972,

considering the favourable development of economic relations between both countries and desiring to further develop and diversify them on a long-term and mutually beneficial basis,

wishing to use in the most effective manner the existing possibilities of economic potentials of both countries by way of intensifying economic and industrial cooperation,

endeavouring at the implementation of this cooperation by means of harmonic and reasonably balanced development of economic relations between them,

guided by the provisions of the Final Act of the Conference on Security and Cooperation in Europe signed in Helsinki on August 1, 1975,

have agreed as follows:

Article 1

Both Parties express their determination to continue the development of economic and industrial cooperation between both countries and for this purpose they shall facilitate by all possible means at their disposal the development of such cooperation between the competent Soviet organizations and Spanish organizations and enterprises on the basis of mutual benefit and in accordance with laws and regulations in force in either country. In particular, the Parties shall take the necessary measures to facilitate the elaboration of such projects of cooperation that correspond to the aims of this Agreement.

## **Article 2**

Both Parties shall identify fields most desirable for the expansion and deepening of cooperation. In particular, the Parties shall take into account the possibilities and requirements of either country in equipment, technology and raw materials.

In order to guide the competent organizations and enterprises special attention shall be attached to the fields of cooperation listed in the Annex to this Agreement, such list being of a non-restrictive nature.

The Intergovernmental USSR-Spain Joint Commission, mentioned in Article 6 of this Agreement, may identify other fields of cooperation as new opportunities emerge.

## **Article 3**

Both Parties agree that cooperation within the framework of this Agreement shall be carried out, in particular, by way of:

- design and construction of new industrial enterprises, as well as expansion and modernization of existing ones;

- joint production of individual types of machinery, equipment and other finished products;

- further expansion of mutual deliveries of machinery and equipment, industrial materials and products, primary commodities, agricultural produce, mass consumer goods, other goods of mutual interest, and rendering of services;

- purchase and sale of licences, patents, designs and production processes and exchange of technical information;

- cooperation, under appropriate circumstances, in the development and implementation of industrial projects in third countries, including the deliveries of machinery, equipment and rendering of services.

## **Article 4**

Both Parties decided to encourage the exchange of economic information and the participation of competent organizations and enterprises of either respective country in the realization of both existing and forthcoming plans and programmes of development of the other country.

Both Parties shall facilitate the conclusion between the relevant Soviet organizations and Spanish organizations and enterprises of contracts, including long-term ones, in which specific terms and conditions of economic and industrial cooperation projects shall be agreed upon.

## **Article 5**

Recognizing the importance of financing for the further

development of economic relations, both Parties shall facilitate the granting of favourable financing conditions in accordance with legislation in either country with regard to cooperation projects carried out within the framework of this Agreement.

#### **Article 6**

Both Parties agree to establish the Intergovernmental USSR-Spain Joint Commission on Economic and Industrial Cooperation which shall meet at least once a year alternatively in Moscow and in Madrid. The above Commission shall include the Joint Commission established in accordance with Article 13 of the Soviet-Spanish Trade Agreement of September 15, 1972.

In addition to functions enumerated in Article 13 of the Trade Agreement of September 15, 1972, the Intergovernmental USSR-Spain Joint Commission shall be charged with the following functions:

- review the implementation of economic and industrial cooperation between both countries and elaborate recommendations for the development of such cooperation;

- elaborate concrete programmes for the development of economic and industrial cooperation and identify new fields of bilateral cooperation, as well as of possibilities of cooperation in third countries;

- consider any other matters arising in the course of implementation of this Agreement.

The intergovernmental USSR-Spain Joint Commission may establish special subcommissions and groups, if recognized as necessary for the accomplishment of its functions.

#### **Article 7**

This Agreement does not affect bilateral and multilateral treaties and agreements in force previously concluded by the Union of Soviet Socialist Republics and Spain.

In this connection whenever necessary both Parties at the request of either of them shall hold consultations but these consultations, however, shall not affect the major objectives of this Agreement.

#### **Article 8**

This Agreement shall enter into force on the day when both Parties notify each other in writing of the fulfilment of constitutional formalities in their countries and shall remain valid for ten years.

Upon the expiry of the above period the validity of this Agreement shall be deemed extended by tacit consent of the Parties for consecutive five-year periods, unless either Party notifies the other Party in written form six months prior to expiry of the corresponding period of its desire to terminate its validity.

The termination of this Agreement shall not affect the validity of agreements and contracts concluded in accordance with this Agreement.

Done in Madrid on February 24, 1984, in two originals, each in the Russian and Spanish languages, both texts being equally authentic.

By authority of the Government  
of the Union of Soviet Socialist Republics  
YU. V. DUBININ

By authority of the  
Government of Spain  
F. MORAN

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*Annex to the Agreement of February 24, 1984*

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#### FIELDS OF COOPERATION

Mining industry

Coal industry

Ferrous metallurgy

Power generation

Chemistry and petrochemistry

Machine-building

Machine-tool building

Shipbuilding, marine equipment, ship repairs

Automotive industry, including component parts  
and units

Electronics and telecommunications

The Agreement entered into force on June 13, 1984.

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English translation, "Foreign Trade", 1984

CSO: 1812/89

WESTERN EUROPE

METALLURGICAL PLANT BUILT WITH AUSTRIAN, ITALIAN AID

Minsk SEL'SKAYA GAZETA in Russian 27 Nov 84 p 3

[Text] The multilateral business ties between the USSR and Austria, exemplifying as they do the cooperation of states with different social systems, are at present developing dynamically to the benefit of both sides.

New proof of this was provided by the construction of a metallurgical plant in Zhlobin. The project, completed in a short period of time, was highlighted by close collaboration between Soviet organizations and the Austrian state-owned concern, Foest-Alpine. Also participating in the construction was the Italian company Danieli.

The celebrations marking the commissioning of the enterprise were attended by the Federal Chancellor of the Austrian Republic Fred Sinowatz who arrived in Zhlobin from Minsk on November 25, First Deputy Chairman of the USSR Council of Ministers I.V. Arkhipov and Chairman of the BeSSR Council of Ministers V.I. Brovikov. They acquainted themselves with the production process of the plant which is designed to produce half a million tons of rolled metal and 200 thousand tons of commodity semimanufacturers annually.

A meeting was held in one of the plant's shops. All the speakers, which included Gomel oblispolkom chairman A.S. Kamay, general director of Foest-Alpine, H. Apfalter, director of the new enterprise D.L. Akopov and Austrian and Soviet workers W. Reistetter and A.M. Bozhinskiy, stressed both the Soviet Union's and Austria's interest in continuing to increase the tempo and effectiveness of commercial and economic ties and perfect the forms thereof. Soviet-Austrian collaboration which is characterized by a sincere desire for mutual understanding, by the partners' trust in each other, they stressed, furthers the interests of the peoples of both countries.

The Austrian minister of transport F. Lazina said that his country attaches great value to its multiple trade, economic, scientific and technical ties with the Soviet Union which are based on the principles of mutual benefit and good neighborliness. He voiced his desire to see Soviet-Austrian cooperation further strengthened, stressing that it serves to deepen mutual trust in relations between the two friendly countries. The erection of this plant is a convincing example of the diversity of Austria's economic

ties with the USSR. Such business contacts, the minister noted, not only allow us to work together in harmony, but to contribute jointly to the cause of peace. Cooperation between countries with different social systems, the minister said in conclusion, must serve the most cherished hope of all peoples—to live in peace.

The USSR minister of ferrous metallurgy I.P. Kazanets noted that the presence of Chancellor F. Sinowatz at the commissioning of the metallurgical plant witnesses to the fact that the Austrian government attaches major importance to the development of mutually beneficial collaboration with the USSR. The constructive and fruitful ties between our two states, stressed the speaker, were given an added impetus after the signing of a long-term (up to 1990) program for developing and deepening economic, scientific, technical and industrial collaboration between our two countries.

Soviet-Austrian contacts are being continuously expanded and enriched with new forms. It is good when the prospects are clear and long-range, when through the prism of today we can see the outlines of tomorrow. Collaboration between Soviet and Austrian metallurgists and machine builders goes back many years, tracing its beginning to 1963 when Austrian firms took part in the construction of a converter ship at the Novolipetsk metallurgical combine.

Relations between the USSR and Austria are characterized by equality, respect for each other's sovereignty, non-interference in each other's internal affairs, by the long-range nature of their commercial, economic, scientific and technical ties. The road to all this was opened by the State Treaty of 1955 and the declaration by the Austrian Republic of a status of permanent neutrality.

As Konstantin Ustinovich Chernenko noted in an address to the Austrian people which prefaces his book "The People and the Party Are One. . . Selected Articles and Speeches," "...the relations which have taken shape between the Soviet Union and Austria can serve as a good example of truly honest, mutually beneficial and equal cooperation."

The meeting ends. The strains resound of the national anthems of the Austrian Republic, the Soviet Union and the Belorussian SSR.

Also present at the meeting were the USSR deputy minister of foreign trade N.D. Komarov, the Soviet ambassador to Austria M.T. Yefremov, the foreign minister of Austria L. Graz, the Austrian ambassador to the USSR H. Lindemann and other Soviet and Austrian officials.

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GENERAL

U.S. POLICY OF TRADE 'SANCTIONS' CRITICIZED

Riga KOMMUNIST SOVETSKOY LATVII in Russian No 10 (583), Oct 84 pp 89-92

/Article by A. Zverev, candidate of economic sciences: "International Trade and Attempts at Political Blackmail"/

/Excerpts/ Foreign economic relations between socialist and capitalist countries have traversed a significant path of development. There have been periods of upsurge, which have given way to a weakening of economic relations. At all stages, however, imperialist states have attempted to utilize trade and credit relations as means of political pressure on socialist countries. Essentially, the entire history of development of economic relations between the East and West points to the striving on the part of capitalist countries to utilize these relations for the attainment of their mercenary political goals and for exerting pressure on the USSR and other socialist countries. Conversely, the Soviet Union and the countries of the socialist camp have always sought to utilize trade for the consolidation of peace and strengthening of all-around and all-embracing relations of cooperation among nations.

The policy of the USSR and other CEMA member countries in the area of economic relations with Western countries is based on the Leninist principles of respect for national sovereignty, noninterference in the internal affairs of each other, full equality of rights and mutual benefit of partners and an accurate and prompt fulfillment of the parties' obligations.

So-called sanctions have been the main tools of U.S. trade policy with respect to the USSR and other socialist countries. Their goal is not concealed in the United States: To change the social system in the USSR. "American authorities are convinced," the journal U.S. NEWS AND WORLD REPORT, an organ of business circles in the United States, noted, "that these measures can force the Soviet Union to change its political system. Meanwhile, West European countries are convinced of the opposite. They maintain that Washington overestimates USSR vulnerability to economic sanctions and underestimates the potential danger of the attempts to undermine the Soviet economy by means of such measures."

The adoption of the law on the U.S. Export-Import Bank was the first step of the American Administration in this direction. This bank limited the amounts of credits to the Soviet Union to only 300 million dollars, at the same time, making them conditional on a number of discriminatory stipulations, which, in fact, make their utilization impossible. As a result, relations with the Export-Import Bank have essentially been reduced to zero.



A new law on control over American export was adopted in the United States in 1979. It expanded significantly the list of goods prohibited for delivery to the USSR, as well as gave the U.S. secretary of defense supreme powers to make prohibitive lists. The same law instructed the American president to take steps to strengthen the COCOM (coordinating committee).

In January 1980 on the pretext of the events in Afghanistan the Carter Administration undertook a number of measures to limit trade and economic relations with the Soviet Union. The accession of the Reagan Administration to power in the United States was marked by new steps in the utilization of trade and economic cooperation as a means of political pressure. In December 1981 a ban on deliveries by American companies of equipment for the Urengoy-Western Europe gas pipeline was introduced and Soviet-American agreements on cooperation in the area of power engineering and on scientific and technical exchange were not extended by the American side. At the same time, negotiations on the conclusion of a new long-term agreement on deliveries of agricultural products were postponed and the work of the Soviet purchasing commission in New York was discontinued.

The conference of leaders of seven leading capitalist countries was held in Versailles in June 1982. Under U.S. pressure a point on the possibility of limiting the volume of export credits granted to the Soviet Union and other socialist countries and on the development of an international system of control over the export of strategic goods to these countries was included in the concluding document. In an interview with the ABC television company D. Regan, U.S. secretary of the treasury, expressed satisfaction with the results of negotiations in Versailles on the "economic pressure on the USSR." "For the first time in history seven countries, which have gathered together, have proclaimed that from now on they will resort to economic and financial methods against the Soviet Union," declared D. Regan, calling this a "historical event." "Until now," he continued, "only diplomatic and military methods have been used. Now we will use economic and financial methods. I assume that the Soviet Union will gradually feel this pressure."

In the spring of 1983 the U.S. State Department prepared a closed report on the economy of the Soviet Union and other socialist countries and on the possible ways of influencing them through the introduction of economic sanctions. Owing to differences of opinion among North Atlantic bloc allies the report did not contain specific recommendations. Nevertheless, it contained the conclusion that Western and CEMA countries could do without economic relations with each other.

The United States also made an attempt to impose new restrictions on trade with socialist countries on its West European allies at the summit conference in Williamsburg in May 1983. However, in their program statements made at the conference, essentially, all the leaders of the "six," in the expression of the UPI, "resolutely warned" the Reagan Administration to abandon the plans for the use of such sanctions.

As already noted, U.S. economic policy with respect to the USSR gradually worsened in the context of the general aggravation of Soviet-American relations during the second half of the 1970's. However, the frontal attack on all the spheres of economic relations between the East and West began with R. Reagan's arrival at the White House.

During the first 2 years of its government the Reagan Administration began to exert harsh pressure on its allies in Western Europe for the purpose of forcing them to join the anti-Soviet economic policy of the United States.

However, having met with quite a sharp rebuff on the part of West European states and with failure in the organization of the economic boycott of socialist countries, the United States slightly changed its tactics. Now it has begun to talk with its allies about a so-called "flexible" approach to economic relations with the USSR.

Nevertheless, it is clear to everyone that the changed tone of Washington's anti-Soviet economic policy does not at all signify a change in its essence. U.S. actions indicate that the American Administration is using new methods for the organization of a unified economic front of Western countries against the USSR, gradually binding them with "allies' obligations." In particular, measures to strengthen the COCOM, its transformation from a "voluntary" organization (the COCOM does not have a legal status and operates on the basis of a "gentlemen's agreement") into a trade and political organ, whose decisions have become obligatory on all its members, and the attachment of East-West economic relations to the "security interests" of Western countries attest to the above.

We must not fail to note that the discriminatory measures of the United States with respect to the USSR and other socialist countries have evoked protests on the part of a number of West European countries and are considered inadmissible attempts to apply U.S. laws to other countries. Moreover, the point of view of the lack of effectiveness of sanctions predominates. "It is deeply regrettable that the U.S. Administration continues to stubbornly cling to a policy, which will aggravate its relations with its European allies, but has no serious chances of exerting pressure on the Soviet Union," noted FINANCIAL TIMES, a newspaper of business circles in Great Britain.

The official protest of members of the Common Market in connection with the U.S. embargo on the delivery of equipment for the gas pipeline indicated that the actions of the United States "threaten the basic principles of the world trade system."

As a result of the artificial curtailment in trade and economic relations with socialist countries Western businessmen incur substantial losses. For example, L. Morgan, president of the American Caterpillar Tractor Company, in a letter sent to R. Reagan noted that a ban on the delivery of equipment to the USSR would lead to the fact that the number of the unemployed would rise in the United States and competitors would snatch the orders. In fact, as a result of such a ban, Caterpillar Tractor lost a contract for the delivery of pipe layers worth 90 million dollars to the USSR.

In all, according to the opinion of Western researchers, the decision of American authorities on an expansion of discriminatory measures aimed at disrupting the construction of the Urengoy-Western Europe gas pipeline resulted in a loss of approximately 600 million dollars for American business and with due regard for the losses of affiliates and subsidiaries of American firms, up to 1.6 billion dollars.

As an analysis has shown, the introduction of economic and credit sanctions against the USSR and other socialist countries is also fraught with another direct danger for the Western states themselves. The policy of sanctions undermines the international prestige of capitalist countries as reliable partners in mutual trade.

As noted at the 26th CPSU Congress, "we are for the development of trade and economic relations with the West as well... Here, however, the policy of capitalist states must also be taken into consideration. They often try to use economic relations with us as means of political pressure. All kinds of bans and discriminatory restrictions in trade with specific socialist countries surely attest to this."

The practice of international cooperation shows that economic sanctions and embargos and the use of trade as a means of political pressure are at variance with state interests and are also inadmissible in relations among countries. The underlying political cause of this pressure is obvious: The U.S. Administration proceeds from the fact that in the present international situation business cooperation is "help" to the potential opponent, to the "empire of evil," against which the heads of the White House and its circles come out so furiously.

Washington's present attempt to revive a mass economic blockade of socialism is not the first after the victory of the Great October. It is well known how the previous ones ended. There is no doubt that an infamous end also awaits this one.

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GENERAL

SOVIET MACHINERY, EQUIPMENT EXPORTS TO CAPITALIST COUNTRIES

Moscow FOREIGN TRADE in English No 11, 1984 pp 32-36

[Article by Doctor of Economic Sciences, head of the Equipment and Machinery Market Department, Market Research Institute, USSR Ministry of Foreign Trade Alexei Kirillov]

[Text]

As pointed out at the 26th CPSU Congress, one of the principal ways of raising the macroeconomic effectiveness of the USSR's foreign trade ties lies in increasing the proportion of manufactures, machines and equipment above all, in Soviet exports. The main prerequisite for fulfilling this task is the powerful and rapidly growing industrial and scientific potential of Soviet mechanical engineering, a most dynamic sector in the country's economy. Production growth rates in the Soviet mechanical engineering industry are 50 per cent higher than those of the USSR's overall industrial production.

Mechanical engineering for its development depends more than any other industry on scientific and technical progress. This is seen in the outstripping growth of progressive industries and lines of production, in the constant improvement of output and the development and introduction of a wide range of new articles embodying the latest achievements in science and technology into production. In 1983 alone the Soviet mechanical engineering industry mastered the production of 3,700 types of machines, various equipment and instruments, introduced a series of highly efficient processes and expanded the application of microprocessors and robots.

In the current year, with the growth rates of output in the engineering industry averaging 5.8 per cent, the output of programme-controlled machine tools will go up by nearly 20 per cent and that of instruments, automation facilities and computers based on microel-

electronics by 30 per cent. The production of all types of industrial manipulators is developing rapidly.

The Soviet Union today is in a position to offer a wide range of technically perfect machines, equipment and instruments which are up to the requirements of the foreign market.

Between 1975 and 1983 the volume of Soviet equipment and machinery exports rose by 70 per cent, and that despite the deterioration of the market in 1981-1983. Products of the Soviet mechanical engineering industry are exported to nearly 100 countries from an export list which includes over 4,500 items. An increasingly important place in the structure of Soviet export is held by equipment for atomic, thermal and hydro-electric power stations, electronic equipment and instruments, high precision metal-working machines and programme-controlled machine tools, high-efficiency blast-furnace, metallurgical, mining, oil and other industrial equipment, aircraft, tractors, motor vehicles, bearings, various instruments and consumer durables.

An important trend in the development of our equipment and machinery export is the participation of Soviet organizations in constructing industrial and other projects abroad on the basis of intergovernmental agreements on economic, scientific and technical cooperation.

Favourable opportunities for expanding the export of Soviet machines to capitalist countries have arisen due to the signing in the 1970s of agreements with many of them on economic, industrial, scientific and technical cooperation and also to the elaboration on their basis of long-term programmes of cooperation on particular themes and projects. The volume and pattern of Soviet export to the capitalist countries constantly tend to expand. This is in large measure the result of the ever higher techno-economic indicators and improved operation characteristics of Soviet equipment and machinery.

Stemming from the improved technical characteristics of equipment for power stations, the specific consumption of fuel used for producing electrical and thermal energy is lower at a number of thermal power stations in the USSR than at power plants in the USA, the FRG and Great Britain. Appreciable successes have also been achieved in diesel construction. Certification trials of the Soviet SMD-62 diesel in the United States

have shown that it is more economic in operation than the best American and European similar type diesels.

These achievements greatly improve the competitive position of Soviet power-generating machines and increase their export. The SMD-62 diesel, for example, is now exported to 30 countries, including industrial capitalist states.

Soviet equipment for hydro-electric power stations has earned a good reputation on the world market. The use of this equipment abroad, for instance at the Jenpeg, Mactaquac, Mica and Peace Canyon power stations in Canada, has demonstrated the reliability of all the units and control systems equipped with Soviet-made electronic and hydro-mechanical devices, even under a load exceeding the rated one by 10 per cent.

There is an increase in the export of Soviet gas turbines, among them the particularly well known GUBT compressor-less utilization turbines using the surplus pressure of blast-furnace gas for generating electricity. The Japanese Nippon Steel Corporation and Kawasaki Steel Corporation, which have been using these turbines for a long time, highly appraise their operation.

Good progress has been made in the export of Soviet metallurgical equipment, above all cold tube-rolling mills (now in use in the USA, France, Sweden, the FRG, Japan and Great Britain) and some types of new blast-furnace equipment which intensifies the blast-furnace process, reduces energy consumption per ton of pig iron produced and increases the service life of blast furnaces between overhauls.

Also increasing is the export of Soviet electroslag-remelting installations for obtaining especially pure grades of steel. These installations are highly economic and efficient, for example, in making blanks for bearing rings.

There is a heightened demand on the foreign market for Soviet-developed rotary saws for cutting hot-rolled bars of large and super large (for instance 500 mm) section widths. The productivity of rotary saws is 50 to 70 times higher than that of slide-type saws. The long experience of operating rotary saws in Japan, for instance, has shown that the wear resistance of the cutting disc increases 2 to 3-fold, and thanks to the quick cutting rate the workpiece does not lose heat thus avoiding the need for additional warming up during its further rolling, the noise level declines considerably,

the quality of the cut face is improved, and so on.

The Soviet Union's priority in the field of welding is recognized worldwide. Most industrial capitalist countries make wide use of numerous types of Soviet welding equipment. At present the All-Union Association Energomachexport annually sells abroad over 4,000 welding machines. Especially in great demand are the field railway track welding machines, installations for plasma welding and cutting, submerged welding, electron-beam deposition of metal, and electroslag welding. Many Soviet welding machines are unique as concerns their application. The U-658 installation for electroslag welding, for instance, is used with success by the French Creusot-Loire for welding workpieces of practically no limit in weight and up to 3,000 mm in diameter.

The USSR's fundamentally new scientific and technical achievements in the area of welding impel firms abroad to purchase not only Soviet welding equipment but also licences for the manufacture of individual types of machines, as well as welding technologies. British Northern Engineering Industries, for instance, has signed an agreement with us on the purchase of Soviet equipment and technology for plasma welding. The American J. Ray McDermont has purchased a licence for the contact welding of large-diameter pipes for underwater pipelines.

Metal-working equipment is becoming an increasingly important item in Soviet machinery exports. As an example we may mention the unique 65,000-ton-force hydraulic press delivered to the French firm Interforge, used for stamping large-size complex-shaped parts to tolerances within tenths of a millimetre. The Japanese Hitachi has purchased a vertical turning mill for machining parts 20 metres in diameter and weighing up to 560 tons. The Finnish Rautpohja is using a lengthwise planing and milling machine with a bedplate 4 x 23 m in size, while the Japanese Yamato-Kogyo is employing horizontal boring machines with a boring spindle 320 mm in diameter, and so on. The USSR is expanding the export of programme-controlled machine tools. What is more, within the framework of industrial cooperation Soviet machine tools can be fitted with individual units supplied and made by foreign firms. Soviet machine tools exported to West European countries, for instance, are equipped with programme control systems made by the West German

firms Siemens and Bosch, while those going to Japan are fitted with equipment manufactured by the Japanese Fanuk.

The considerable possibilities of expanding the sales of Soviet metal-working, press-forging and other equipment are connected with their use in a system with various manipulators and robots.

There are favourable prospects for increasing Soviet exports of such industrial equipment as oil-refining, chemical, mining and road-building equipment, hoisting gear, farm machinery, aircraft, railway transport facilities, motor vehicles, as well as bearings, tools and instruments. The USSR exports TV and radio sets, cameras, binoculars, refrigerators, watches and watch movements, as well as other consumer goods in considerable quantities.

At the same time it should be noted that the development of Soviet equipment and machinery exports to the industrial capitalist countries is influenced by some factors which restrict the possibilities of their expansion. Among these are problems relating to the establishment in some industrial capitalist countries of a special treatment with respect to Soviet exports, often of discriminatory character, especially in the USA. Soviet goods entering the USA are subjected to maximum levies which are many times the customs duties fixed on goods from countries enjoying the most-favoured-nation treatment, which is not granted to the USSR. Customs duties on Soviet metal-cutting lathes, imported to the USA, for instance, are 5 to 6 times higher than those on goods of other countries, on launches and sporting vessels—15 times as high, on tractors—4 times, bearings—6 times, watches—more than 3-4 times, and so on.

Discrimination against Soviet exports in the form of higher customs tariff is also being practised by the EEC countries which account for over 50 per cent of the USSR's total equipment and machinery exports to the industrial capitalist countries. The imposition of customs duties on Soviet machines and equipment in conditions of customs-free trade between the members of this economic grouping, while affecting the price level for Soviet goods, lowers their competitiveness on the markets of these countries.

With the improvement of Soviet foreign trade organizations' positions on the markets of the industrial capitalist countries, the EEC member-states above all,



another form of complaint against the USSR was increasingly applied, namely the charge of dumping. Such accusations, for instance, were repeatedly brought against Soviet electromotors, bearings, lorries, watches and some other consumer goods. Moreover, anti-dumping procedures of the EEC authorities clearly show a biased approach to their assessments of the Soviet foreign trade organizations' commercial activities in order to deliberately restrict them on the markets of these countries.

These discriminatory measures also include the restrictions placed and still practised in some countries on some Soviet goods such as watches, TV sets, radios and other articles, predominantly consumer goods.

Growing discrimination against Soviet exports and dishonest utterances of bourgeois mass media intended to discredit the Soviet economy in general and mechanical engineering in particular make the task of raising the technical standard of Soviet equipment and machinery and improving their quality with a view to strengthening their competitive position on foreign markets especially important.

Among the factors determining the competitiveness of a product the criterion of quality in the broad sense of the word is of great consequence: the technical standard, the quality of making an article, its reliability and durability, convenience of exploitation and maintenance, modern finishing and appearance, etc. Over recent years the principal indicators of competitiveness have included energy saving and non-pollution of the environment.

At the same time the competitiveness of many articles turned out by the engineering industry depends on the extent to which they correspond to international and national standards. Standards, especially national standards, are often used by capitalist countries as a technical barrier against Soviet exports.

The problem of improving the techno-economic and operation characteristics of Soviet-exported equipment and machinery holds a central place in the complex of measures aimed at raising the macroeconomic effectiveness of Soviet foreign trade. Of great significance in solving this task is the 1983 decision of the CPSU Central Committee and the USSR Council of Ministers, On Measures to Accelerate Scientific and Technical Progress in the National Economy, which has set out principal guidelines for raising the quality

and efficiency of production.

A whole complex of measures is now being carried out to improve the sale of Soviet machines and equipment abroad. Among these we shall mention the building up of export stocks predominantly comprising articles which in their techno-economic characteristics meet the requirements of the world market to a maximum, and also the modification of certain export articles to suit foreign markets. The nature of such changes depends on the solution of different tasks. In many cases these changes are to improve some of the techno-economic characteristics of the articles, as well as their quality, appearance, etc., so as to enhance their competitiveness. In other cases the need for such changes is linked directly to the specific conditions of the importing countries (for instance climatic) and also to purchasers' individual requirements.

In large measure the additional work on the manufacture of export articles is being carried out to meet the special requirements of international and national standards and regulations laid down in importing countries.

Experience shows that the bulk of these requirements concerns safety regulations, reliability and durability of machines, ergonomics, environmental protection, etc.

In individual cases the need for such work is dictated by the application in purchaser countries of specific electrical systems, load standards and grading, measurement systems, traffic rules, and so on.

The main task of planning, industrial and foreign trade bodies in this area is to fulfil the Soviet foreign trade export programme in respect of the requisite types of equipment and machinery having the high techno-economic characteristics needed to satisfy the world market's requirements. This will appreciably expand export, raise its economic effectiveness and avoid many additional costly operations modifying or completing export articles.

A no less important role in developing Soviet equipment and machinery exports to capitalist countries is played by improved commercial and marketing activity and after-sale services for the articles sold, including supplies of spare parts.

The aggravation of the marketing problem over the past few years has substantially enhanced competition on the capitalist equipment and machinery market.

This has greatly complicated the work of Soviet foreign trade organizations and called for further rationalization of their commercial activity. Over recent years a series of important organizational measures have been carried out in this respect, they include a changeover of the country's foreign trade organizations to self-supporting, greater extension of their responsibilities, and enhancement of the role of industry in resolving foreign trade problems, etc.

The further improvement of this work should evidently be done through a more thorough study of and search for new sales markets and merchandise, a more rational determination of the structure and geography of export, a flexible response to the market's changing requirements.

Organizing an effective marketing system is a sure way to improve commercial activity.

Trade accomplished through agents is the principal channel for selling machines and equipment on the market of industrial capitalist countries and developing nations. Researches in this field show, however, that the changes on the world market over the past few years have made it necessary to introduce certain corrections to the sales networks and practice of organizing them.

Today, in particular, the system of marketing many types of sophisticated process equipment is characterized by the growing participation of manufacturers and exporters. In realizing machines and equipment of mass and large-batch production (many types of electrical, power-generating, machine-tool, agricultural, building and other equipment), complication of the marketing structure and the rising technical standard of output have made it necessary to resort to the services of local manufacturing companies turning out similar equipment and having a well-organized sales system on the local market.

The organization of a marketing system is closely connected with the problem of after-sale services for machines sold and the supply of spare parts for them. These services, as a rule, are provided by the same agencies which realize the articles on the market.

Over the past few years measures have been taken to markedly expand the servicing network for Soviet-exported machinery, enhance its material and production base, improve the supply of all servicing elements with spare parts whose export rates exceed those of the finished machines, improve the warehousing facilities and

systems for training local personnel in the ways of using Soviet-made machines, and so on.

Soviet foreign trade organizations have much to do to improve their forms and methods of foreign trade, on whose proper employment the results of their export activity in large measure depend. Drawing on world experience they should ever more energetically apply such advantageous forms of export as the shipment of machinery in a knock-down form, components and units on a cooperation basis, sale of accompanying equipment with licences, provision of consultation engineering and design services, leasing, etc.

Correct application of marketing principles and elements, including advertising, is of no little importance for stimulating equipment and machinery sales. Today's rapid technical progress is characterized by the appearance of new types of articles and the quick updating of the technical characteristics of "old" products, thus advertising has become the major means of spreading information and in the huge flows of goods a "guide" for the purchaser.

The obvious possibilities of expanding Soviet equipment and machinery exports lie in the ever wider and deeper participation of the Soviet engineering industry in the international division of labour accomplished in the form of production specialization and cooperation.

International specialization and cooperation in mechanical engineering is of particular importance and for the socialist countries has favourable prospects of development within the framework of the Council for Mutual Economic Assistance.

At the same time this form of the international division of labour is gaining more substance for forming stable long-time trade contracts between the USSR and the industrial capitalist countries. On the basis of bilateral agreements on economic, scientific and technical cooperation the Soviet organizations have signed with firms in these countries a large number of long-term agreements and contracts on specialization and cooperation in research, design and production in a number of engineering industries; good progress has been made in implementing agreements on fitting Soviet-made machines with units and assemblies manufactured by Western firms; shipments of Soviet parts, units and assemblies for products being made by foreign manufacturers are well under way.

Considerable opportunities for expanding the sale of Soviet equipment and machinery in the capitalist

countries are offered from the further improvement of cooperation between the socialist countries, now proceeding in several directions.

This cooperation is of great consequence in research and development and serves as a basis for the joint production of machines and complete equipment. It is conducive to progressive structural changes in the engineering industry of the CMEA members and enhances the export potentialities of each participant.

As another direction broadening the activity of the CMEA countries on the capitalist market we shall mention the coordination of their foreign trade agencies in organizing marketing systems, after-sale services, etc.

Positive progress has been registered in the joint actions of these countries' foreign trade organizations in carrying out complexes of work (including the shipment of equipment) for building various projects especially in the developing states. The high scientific and technical levels achieved by the socialist countries and the experience they have gained in constructing large industrial and other projects make it possible to substantially broaden the practice of such joint actions on the markets of industrial capitalist countries.

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The foregoing warrants the conclusion that there are objective possibilities for a substantial increase of Soviet equipment and machinery exports to the industrial capitalist countries. To realize these possibilities, however, it is necessary to resolve a whole number of external and internal problems.

Among the external problems we shall mention the discriminatory policy pursued by the governments of several industrial capitalist countries in their trade with the socialist states.

As regards the major internal tasks mention should be made of the need to: raise the technical standard and quality of machines and equipment made for export, widen their range, set up specialized export lines of production, improve the economic activity of the country's foreign trade organizations.

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GENERAL

RESPONSES ON QUALITY CONTROL OF EXPORT GOODS

Moscow VODNIY TRANSPORT in Russian 22 Nov 84 p 2

/Responses to article "For Someone Else's Sins"/

/Text/ Ministry of Foreign Trade

/Response by Yu. Brezhnev, deputy minister of foreign trade/

Problems of improving the quality of export goods, packaging and labeling raised in the article "For Someone Else's Sins" published in the newspaper on 29 September are in the center of attention of the management of the Ministry of Foreign Trade and all-Union associations.

In the supply orders for the delivery of export products issued to supplier enterprises all-Union associations strictly follow existing all-Union state standards and, if need be, also indicate additional essential elements for the quality of a commodity and its packaging and labeling. At supplier enterprises export products are controlled by the representatives of the State Inspectorate for the Quality of Export Goods, which also controls the quality, labeling, packaging and delivery of goods in an exportable state to sea ports.

Despite the work done by foreign trade associations and the State Inspectorate for the Quality of Export Goods, part of the export goods continue to arrive at sea ports unwrapped and in inappropriate containers and packaging.

For many years the All-Union Promsyryeimport Association jointly with the Ilichevsk Port has tried to attain the delivery of properly packaged and wrapped wire rod for export.

Concerning this matter the management of the Ministry of Foreign Trade and of the All-Union Promsyryeimport Association has often appealed to the management of the USSR and UkSSR ministries of ferrous metallurgy and plants supplying wire rod for export.

As long ago as 1980 A. A. Kogadeyev, USSR deputy minister of ferrous metallurgy, reported that the ministry gave directives to the appropriate plants to take the necessary measures to ensure the delivery of wire rod for export in coils weighing 2 to 3 tons.

However, in connection with the fact that the ministry's directives were not fulfilled by supplier plants the All-Union Promsyr'yeimport Association was forced to raise these problems again and again.

As a result, the Ukrainian SSR Ministry of Ferrous Metallurgy developed a "plan of measures to ensure the proper packaging of wire rod" only in 1983. However, it does not ensure specific dates for the commissioning of the necessary equipment, which does not make it now possible to speak about real prospects for the solution of this problem.

For the purpose of improving the quality of labeling of export goods on the basis of an analysis of the remarks by ports, plant suppliers and foreign recipients, the All-Union Promsyr'yeimport Association jointly with the USSR Ministry of Ferrous Metallurgy developed a sectorial standard for a single label for the products of ferrous metallurgy delivered for export, which should be manufactured centrally for the entire sector.

Up to now, however, this standard has not been put into effect, because the Ministry of Ferrous Metallurgy has not solved the problem of the manufacture of these labels.

We hope that the very timely and well-reasoned newspaper article will evoke the necessary response by the managers of the appropriate ministries and enterprises and will make it possible to solve the long urgent problems in the very near future.

With respect to the containerization of small shipments at present it is held back in connection with the lack of conditions for the processing of prefabricated containers in agreements on freight transport concluded by steamship companies. Work in this direction is carried out jointly by the organizations of the Ministry of Foreign Trade and the Ministry of the Maritime Fleet.

USSR State Planning Committee

/Response by D. Zotov, chief of the transport department of the USSR State Planning Committee/

The transport department of the USSR State Planning Committee examined the article "For Someone Else's Sins." The facts presented in it point to shortcomings in the work of foreign trade associations in the part of observance of existing rules for the labeling of goods and requirements for the packaging of export goods.

At present the Ministry of the Maritime Fleet is conducting a survey of the quality of packaging and labeling of export goods entering all sea ports for the purpose of preparing solutions aimed at the elimination of the shortcomings that have occurred and coordinating them with the appropriate foreign trade associations.

The transport department of the USSR State Planning Committee supports the measures adopted by the Ministry of the Maritime Fleet.

Black Sea Steamship Company

/Response by V. Sen'ko, first deputy chief of the steamship company/

The unsatisfactory attitude of the foreign trade associations of the Ministry of Foreign Trade and the USSR State Committee for Foreign Economic Relations to the quality of the labeling, containerization and consolidation of cargo places for goods difficult to process is correctly described in the article "For Someone Else's Sins."

The Black Sea Steamship Company has long raised problems before the Ministry of Foreign Trade and the State Committee for Foreign Economic Relations. However, the problems of improving the labeling, containerization and packaging of goods are solved very slowly by the Ministry of Foreign Trade and the State Committee for Foreign Economic Relations.

On our initiative an expanded conference with the participation of the representatives of the central apparatus of the Ministry of Foreign Trade and foreign trade associations on the indicated problems was held in the Main Administration of Transportation and Operation of the Fleet and Ports of the Ministry of the Maritime Fleet in July 1984, at which coordinated decisions were attained. The fulfillment of these decisions by all parties will make it possible to eliminate the existing shortcomings noted in the article.

In particular, the problem of containerization of small-batch cargo bound for Cuba in volumes coordinated with the Cuban side has already been solved with the Ministry of Foreign Trade.

From the editorial department.

Despite the fact that almost 2 months have passed since the publication of the article "For Someone Else's Sins," up to now the editorial department has not received responses from the USSR Ministry of Ferrous Metallurgy and the USSR State Committee for Material and Technical Supply.

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GENERAL

COOPERATION IN FOREIGN AGRICULTURAL PROJECTS DISCUSSED

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[Article by Yuri Borisov, President of V/O Selkhozpromexport]

[Text]

The All-Union Export-Import Association Selkhozpromexport set up in October 1964 greatly contributes to the USSR's economic and technical cooperation in the agro-industrial sphere with foreign countries.

The Association was presented with Gold Mercury international award in 1980 for promoting foreign trade, production and international cooperation.

During 20 years Selkhozpromexport assisted in constructing hundreds of agricultural projects in 62 countries of Europe, Asia, Africa and Latin America.

The Association renders economic and technical assistance in constructing and reconstructing vegetable and fruit, meat and milk processing enterprises, those manufacturing tea, coffee and tobacco products; refrigerated meat slaughterhouses; bakeries and confectionery factories; elevators and mill complexes; fodder factories; essential oil plants and other enterprises of the food industry; hydro-engineering and irrigation projects; mechanized farms cultivating cotton, cereals and oil-bearing crops; livestock and poultry farms; veterinary stations; research stations for non-irrigated and irrigated farming; work shops repairing agricultural machinery; pump-houses and farm machine renting stations; enterprises of the timber-felling and woodworking industries; enterprises producing fodder yeast, ethyl alcohol, pharmaceuticals for the veterinary service, etc.

Selkhozpromexport fulfils all kinds of work dealing with the construction and operation of enterprises and projects (technical and economic substantiations of the project's construction, research and survey, delivery of complete sets of equipment and necessary materials, contract supervision, starting and assembly work, etc).

The Association helps train national specialists both in the USSR and the client's country.

Selkhozpromexport constructs enterprises on general contract and compensation terms. Over the twenty years the volume of technical assistance in constructing enterprises and other projects increased 5.3 times. In 1983 the Association's foreign trade turnover topped 200 million rubles.

The table below gives data on the constructed projects and those under construction with Selkhozpromexport's participation as well as the area of cultivated agricultural lands.

With Soviet assistance over 670 projects in agriculture and related sectors have already been put into operation and nearly 400 projects are being built under the signed agreements.

Selkhozpromexport is maintaining wide business contacts with the socialist countries' foreign trade organizations.

In Bulgaria the Association built bakeries; factories for drying and grading maize; animal formula feed factories; stations servicing and repairing tractors; champagne wineries; biofactories for mass producing trichogrammes (insects which eat agricultural pests).

With the Soviet Union's technical aid research and surveys were conducted to draw up a general scheme for the irrigation of the Danube Lowland and a

technical project elaborated as well as the Silistra-I pump-house (rate 13.4 cu.m/sec, power 6,860 kW) constructed to irrigate 17,000 hectares of cereals and vegetables. In Silistra a factory manufacturing ferro-concrete products was completed. The project is for the production of panels for facing channels, non-pressure and low-pressure pipes for irrigation networks and concrete components (50,000 cu.m of products per year). Detailed design and working drawings for expanding the Ruse factory manufacturing ferro-concrete pipes were completed. Under the project 280,000 running metres of ferro-concrete pipes and 80,000 running metres of steel cored pressure pipes a year for the construction of irrigation systems are to be manufactured. Exchange of know-how in cultivating agricultural crops continues. In the USSR Virginia tobacco is cultivated on an area of nearly 50 hectares using Bulgarian know-how as well as new varieties of kidney beans (350 hectares) and perco (500 hectares). In Bulgaria lavender on an area of 50 hectares; common

onion from seeds (70 hectares) and other agricultural crops are being cultivated using Soviet know-how.

In Hungary with the Soviet Union's technical assistance a grain elevator (capacity 20,000 tons) in Gyöngyös, six factories grading maize seeds (capacity 1,250 tons per year each), two sets of block winter greenhouses (total area 12 hectares) in the towns of Felszabadulási and Yj-elet were constructed.

Work is being carried out with corresponding Hungarian organizations on their possible participation in expanding agro-industrial complexes in the USSR.

Selkhozpromexport renders technical assistance to Vietnam in constructing agricultural projects, food industry enterprises, supplies spare parts, fuel and lubricating and other materials, fertilizers as well as equipment for projects constructed and commissioned earlier. The compensation-based construction of projects is progressing.

With Soviet assistance 18 enterprises for the food industry were built including nine tea and six macaroni factories, two bakeries and a laboratory for analyzing the raw material and finished products at tea factories.

The construction of five tea factories processing 176 tons of green leaf a day is under way.

The products of state farms and tea factories built with Soviet assistance are supplied to the home market and exported. Between 1976 and 1983 the USSR received 8,900 tons of coffee and 27,200 tons of tea.

The Association gave technical assistance to the German Democratic Republic in building three timber-yards of logging enterprises (total capacity 460,000 cu.m of timber per year).

An agreement on cooperation in reconstructing in the GDR four projects for repairing units of the K-700 heavy-duty tractors and restoring their parts was signed in December 1983. It is also envisaged that the GDR will help reconstruct 12 projects in the USSR including five shops for repairing fodder harvesters, three shops restoring spline shafts and four sections for repairing tractor engine blocks which will extend the repair base of our countries' agro-industrial complexes.

Selkhozpromexport has for over 20 years been rendering technical assistance to Cuba in water-handling facilities. Over this period 115 large and over 700

small water reservoirs (total capacity 6,400 million cu.m) as well as 83 hydroschemes (total capacity nearly 5,000 million cu.m) were constructed and more than 400 km of main water canals designed and built.

The total areas of irrigated lands in Cuba grew from 162,000 hectares to one million hectares, one half of which is watered with Soviet sprinkling facilities.

At present large water reservoirs, hydroschemes, dams, main channels, pump stations and interfarm irrigation networks are being designed.

The technical and economic substantiations were elaborated and transferred to Cuba on the advisability of constructing a flour mill complex (the mill's capacity 600 tons of flour a day) and on expanding and modernizing two factories turning out toilet and household soap and a section producing distilled glycerine.

Technical assistance in developing poultry farming, timber felling and woodworking industries, agricultural production and industrial processing of citrus is progressing.

The Mongolian People's Republic was assisted technically in constructing over 130 agricultural projects and developing nearly one million hectares of virgin lands. Grain elevators (total capacity over 200,000 tons), flour mill complexes (productivity over 600 tons a day), large livestock premises were put into use and over 47 million hectares of pastures irrigated.

All agricultural enterprises built with Selkhozpromexport's assistance are well equipped with the necessary facilities. Nearly 40 per cent of Mongolia's ploughed land is concentrated in 27 farms. Mechanized dairies in these farms provide 72 per cent of the milk output in the total centralized state purchases. Gross milk output in all mechanized farms increased more than by 4,000 tons as compared to 1982.

In 1983 the gross grain harvest in the country amounted to 812,000 tons which is by 48.3 per cent higher than the bumper harvest of 1982.

The increased agricultural crop yield in 1983 lowered agricultural produce costs: for grain by 33.0 per cent, potatoes 12.0 per cent and vegetables 22.0 per cent. In cattle breeding due to the reduced prices for fodder, prices for beef were reduced 15.0 per cent and 19.0 per

cent for cow's milk.

Soviet and Mongolian specialists elaborated measures and recommendations for all agricultural branches and aspects for the period up to 1990.

The work done in 1983 created additional possibilities for transferring agriculture to intensive methods of production, for further developing the state sector and raising the Mongolian people's well-being.

— Cooperation with Poland in constructing greenhouses and creating model state farms promotes agricultural output in the Republic and its greater efficiency.

— With the Association's participation 30 winter block greenhouses will be constructed in the country (total area 180 hectares). These greenhouses are modern enterprises growing vegetables and flowers. Over 9,000 tons of vegetables, more than 15.6 million flowers were grown at the greenhouse complexes put into use in the 1982-1983 agricultural year; this constitutes 25 per cent of the total output of the country's vegetable and flower enterprises.

— Over the years of Selkhozpromexport's cooperation with Yugoslavia eight elevators (total capacity 200,000 tons), an oil extraction factory processing 350 tons of sunflower seeds a day and a mill (productivity 50 tons of flour a day) were put into operation.

— The Long-term Programme of Economic, Scientific and Technical Cooperation between the USSR and Yugoslavia for 1981-1990 envisages the expansion of compensation-based cooperation.

This is interlaced with the requirements of the USSR Food Programme concerning expanding cooperation with the socialist countries in all sectors of the agro-industrial sphere to increase foodstuffs deliveries from the socialist countries in exchange for Soviet goods.

Selkhozpromexport helps Yugoslavian organizations expand the capacities of Beograd agricultural complex and the Danube-Tisza-Danube enterprise and supplies equipment for greenhouses, elevators, mills, livestock and poultry farms and for enterprises processing livestock produce.

Yugoslavian complexes will deliver maize seeds, seedlings and foodstuffs to the USSR.

The increase of the agricultural produce volume in many developing countries can be achieved through the expansion of irrigated farming as the land fund suitable for non-irrigated farming is almost exhausted.

Large work in this direction is being undertaken in many Arab countries and Selkhozpromexport successfully participates in constructing hydro-amelioration projects in Algeria, Iraq, Syria and other countries.

In Iraq the Association put into use the regulating lake Tharthar-Euphrates river canal (flow capacity 1,100 cu.m/sec, length 37.8 km).

In November 1983 water was sent for the first time along the main canal of the Kirkuk-Adhaim irrigation system, this largest irrigation project now waters 362,000 hectares of dry lands.

A feasibility report on the development of irrigation and drainage on the Kifl-Shinafia massiff (area 187,500 hectares) and technical designs for constructing the Hindia hydro-scheme on the Euphrates and the end section of the main Tigris-Euphrates drainage collector for diverting drainage water from irrigated lands (area nearly 2.5 million hectares) were passed over to Iraq.

The Association also assists in constructing and designing a number of projects, such as: the connecting lake Tharthar-Tigris river canal (length 65 km), an intake unit on the Euphrates near Falluja with the Falluja-Iskanderia main canal (length 63 km), a head section of the main canal of the Kirkuk-Adhaim irrigation system (length 37.1 km). Research and survey are being carried out to draw up a detailed design for reconstructing the main drainage collector along the section from lake Dalmaj up to the connection linking the end part of the main collector in the vicinity of Nasiriya (length 193 km).

Selkhozpromexport is continuing its work on further raising the effectiveness, improving and deepening economic and technical cooperation with Syria in constructing irrigation systems and water-handling facilities.

The Euphrates hydro-engineering complex, the largest one in the Near East, is the most important project constructed with the Soviet Union's assistance. The 12,000 million cu.m of water accumulated in the Al-Asad reservoir is sufficient to irrigate 640,000 hectares. This will double the area of the country's irrigated lands.

A pump-house (capacity 36 cu.m/sec) irrigating 21,000 hectares of land was built and put into operation. The construction of an irrigation project (area 21,000 hectares) on the Meskene massiff was completed. Six state farms equipped with Soviet agricultural machinery were established on the lands put into use; Soviet specialists help organize work on developing agricultural lands. Thanks to improvement of agricultural machinery and the proper arrangement of work in 1982 and 1983 the cropping capacity of the land was increased.

In 1983 all Meskene state farms' output of agricultural produce was 2.5 times more than in 1982.

A dam on the Northern Khabur river (height 52 m, length 860 m) is soon to be completed.

At present the Association, under contracts, is supplying technical assistance for constructing a pump-house (capacity 90 cu.m/sec), a 90-metre water lift bringing water for the 70-km long main canal.

Research and surveys for technical and economic substantiations of using the water resources of the basins of the rivers Barada and Auwadj, for drawing up a scheme for utilizing water resources in the Syrian desert and detailed designs of irrigation projects over an area of 50,000 hectares on the Western Meskene massiff are well in hand.

Over the 20 years of the Soviet Union's cooperation with the People's Democratic Republic of Yemen a considerable fund of irrigated lands was created, nine dams constructed and modernized and 120 kilometres of main canal laid.

A special feature of the constructed intake dams designed by Soviet organizations is that they can catch the minimum water flow and direct it to the irrigation network and also pass through the spillway powerful flood waters (flow rate up to 3,600 cu.m/sec).

Along with development of flood irrigation the country receives help in using underground water for regular irrigation of lands. In the Lahej and Hadramaut regions 127 boreholes were drilled and developed. The water obtained from these boreholes regularly irrigates lands on an area of nearly 1,900 hectares.

To assure a more rational development of irrigated lands the schemes for using the water and land resources of the Hadramaut region and reconstructing high-flood irrigated lands in the basin of the rivers Tuban, Rubwah and Ahwar were drawn up. Eight state and two cooperative farms now work on the irrigated lands.

In 1983 an enterprise repairing tractors and agricultural machinery (400 standard overhauls per year) of great importance for the development of the country's agriculture was commissioned.

The Soviet Union cooperates with the Republic of Afghanistan in constructing and operating many agricultural and food industry projects.

The industrial activity of the subdivisions of the Jalalabad irrigation complex (length nearly 70 km) with a hydroscheme on the Kabul river (the complex includes a dam and an 11,000 kW hydro-electric power station, an irrigation and collector-drainage network with hydro-engineering structures on 25,000 hectares) is aimed mainly at growing subtropical crops such as citrus and olives.

Soviet specialists undertake much work on training national personnel. An agricultural vocational school was opened in Jalalabad, for instructing tractor and bulldozer operators and repair mechanics to supply the complex with skilled specialists.

Construction and operation of enterprises in the food and flour industries is of great significance for feeding the population.

Constructed with the Association's assistance the Kabul bakery complex comprising a bakery (productivity 65 tons of bread products a day), a mill (capacity up to 200 tons of grain a day) with a warehouse for the finished products and elevator's two silos structures (total capacity 30,000 tons of grain) in 1983 turned out 124,600 tons of flour of all grades, and 25,700 tons of bread products. Two hundred and seventy-five workers were trained to work independently in the main trades.

In 1982 two mills (productivity 60 tons of flour a day each), a bakery (productivity 25 tons of bread products a day) in Mazar-i-Sharif were commissioned.

Soviet organizations are helping the Republic set up seven machinery-tractor stations. Five are already in operation in various provinces of the country.



The machinery-tractor stations promote the timely and qualitative fulfilment of mechanized work, as well as maintenance and repair of machinery and undertake the training of local machine operators.

The Soviet Union renders technical aid to Afghanistan in combatting infectious diseases of cattle and poultry. Seven veterinary clinics and four veterinary laboratories are already working.

The veterinary laboratories carried out nearly 85,500 researches into 76 diseases. The veterinary clinics undertake great preventive and therapeutic work. In 1983 alone 3,682,400 head of cattle and poultry were vaccinated against infectious diseases.

In the Islamic Republic of Iran, under Selkhozpromexport's contracts, 37 grain elevators (total capacity nearly 800,000 tons) and a mill (300 tons of grain a day) in Mashhad were constructed.

Over the period of cooperation with Iran Soviet organizations accomplished technical and economic substantiations for using water resources of the border river Atrek on which it is planned to create a reservoir (effective capacity 500 million cu.m) for the irrigation of 14,000 hectares on both sides of the river and a feasibility study for constructing a dam and a reservoir on the border river Harirud. Stemming from the technical and economic substantiations a reservoir (effective capacity 950 million cu.m) to irrigate 40,000 hectares on both sides of the river is to be built.

The Soviet Union on a par with Turkey is constructing a reservoir hydroscheme on the Akhuryan border river having a concrete gravity dam (height 59 m, length 224 m). The reservoir (525 million cu.m) will irrigate 54,000 hectares in the Armenian SSR and the same amount in Turkey.

Selkhozpromexport actively participates in constructing agricultural projects in a number of African countries.

The Soviet Union gives technical aid to Algeria in research and survey, in constructing dams and water reservoirs, in irrigating lands, in searching for underground water in the Sahara region and most productive pastures and land areas suitable for growing forage crop, in developing irrigated and non-irrigated lands for cultivating cotton, as well as in organizing pilot agricultural stations on irrigated lands.

With Selkhozpromexport's technical assistance the survey and detailed design of the Beni-Zid dam were fulfilled, and dams on the Amara river (height 23 m), on the Tasift river (height 20 m), on the Araba river (height 26 m) and on the Chender river (height 22 m) and irrigation systems (area 500 hectares each) for each dammed area were built and commissioned.

Comprehensive research into drilling boreholes for water in the Sahara desert and adjacent regions is being carried out. The work includes hydrogeological, geophysical, soil and topographic surveys.

Over 200 exploratory and operating holes (depths from 200 m to 1,500 m) amounting to 65,000 running metres, have a combined discharge rate 7,000 litres/second. The water obtained from these wells is sufficient to irrigate nearly 7,000 hectares of lands, supply water to 150,000 people and assure drinking ponds for 300,000 head of cattle. Besides drilling boreholes Soviet specialists draw up documentation for their development, for water supplies to settlements and irrigation of lands with the underground water.

Eight experimental stations and plots were created for studying the cultivation of agricultural crops on irrigated lands.

The Draa-El-Mizan dam (height 26 m, crest-line length 248 m) is under construction on the Moussa river. The reservoir's capacity will be 11 million cubic metres.

All in all in 1983 with Selkhozpromexport's technical assistance 5,500 running metres of boreholes (total discharge 650 l/sec) were drilled in the country's west and east which substantially improved the water supply to the country's southern regions.

Selkhozpromexport fulfilled a soil-ecological survey on an area of 3.5 million hectares, drew up subject maps and worked out a scheme for developing the lands and organizing a pasture farm complex on an area of 0.5 million hectares in Libya.

The materials passed over to Libya will enable the prospected lands to be used more effectively and develop Libya's agriculture. Cooperation with the People's Republic of Angola is aimed at rendering assistance in constructing water-handling facilities, restoring and developing cotton and grain production, conducting diagnostic research and aerophotographic, topographic and geodetic surveys, rendering veterinary service.

In Angola state farms were formed in the Uila province for growing cereals on a 560-hectare area and in the Luanda province for growing cotton. Assistance is being given in starting cotton growing on a state farm in the Malange province. USSR-Angola cooperation in cotton production has already yielded positive results.

The Veterinary Research Institute is a centre planning and organizing veterinary science, manufacturing biological products and elaborating measures to combat animals' infectious diseases. In 1983 the Institute manufactured 1,500,000 doses of vaccine. Soviet specialists carried out 78 virological researches on various diseases in order to formulate recommendations in the fight against them.

Cooperation in aerophotographic, topographic and geodetic surveys and in updating a topographic map is progressing successfully. The second stage of aerophotographic, topographic and geodetic work was completed ahead of time, and now the third stage is under way.

In the Arab Republic of Egypt the Aswan High Dam, one of the world's largest hydro-engineering complexes, was constructed with the USSR's participation. Its reservoir annually supplies 56,000 million cubic metres of water needed for irrigation. The water reserves create an optimum regime for irrigating 520,000 hectares of new and ploughed lands which now yield two or more crops a year. The Aswan Dam increased Egypt's irrigated land areas by 20 per cent.

In Egypt a cascade was designed comprising six of Africa's largest pumping stations on the Nasr main canal (total powers 100,000 kW) with a head intake (130 cu.m/sec) irrigating 128,000 hectares of desert lands in the Tahrir province.

Selkhozpromexport completed the delivery of equipment and materials for the construction of grain warehouses (capacity 206,000 tons) in Socialist Ethiopia; thirteen of these warehouses (nearly 75,000 tons) are already in use.

Research and survey for constructing a plain earth dam on the Alvero river and developing 10,000 hectares of lands on the Baro-Akobo (Gambela) valley and also for drawing up a comprehensive scheme for utilization of the water and land resources of the Baro-Akobo valley continue.

In 1983 specialists and scientists of the phytopathological laboratory continued fulfilling their commitments in Ethiopia and coordinated over 60 scientific programmes on the main aspects of activity for 1983 and 1984.

In Guinea under Selkhozpromexport's contracts a cannery in Mamou (productivity up to five million cans per year), a meat slaughter house (five tons of meat per shift) with a refrigerating plant were constructed; a sleeper-cutting sawmill (processing 35,000 cu.m of timber per year) including a veneer and building materials shop (processing 6,000 cu.m of plywood and three million sq.m of sliced veneer per year) and a timber-felling base were put into operation.

The Ditinn and Famoila experimental livestock farms were formed which are of great importance for developing highly productive cattle breeding and for training national cattle breeding specialists.

The Sumbalaso tomato plantation supplying tomatoes to the Mamou cannery constructed with the USSR's cooperation was put into operation.

Selkhozpromexport also renders technical assistance in organizing a mechanized team for developing new rice growing lands in Low Guinea by sending Soviet specialists and supplying equipment, building facilities and materials.

In Sudan Selkhozpromexport helped build grain elevators in Port Sudan and Gedaref, canned fruit and vegetable factories in Kerima and Wau as well as installations for producing dried milk in Babanusa and drying onions in Kassala.

In Tunisia with Selkhozpromexport's technical assistance an arc dam on the Kasseb river (height 58 m, crest length 193 m) was constructed and put into use. The reservoir's total volume is 40 million cubic metres.

The following hydro-engineering cooperation projects are being constructed and designed with Soviet organizations' assistance: a hydroscheme on the Djoumine river with a reservoir (130 million cu.m), the Djoumine Medjerda water conduit (length 51 km.), a dam on the Resala river, the Sedjenane hydro-engineering complex and a dam, the Sedjenane-Djoumine water conduit as well as run-offs of the country's northern rivers. They are of great significance for developing the country's agriculture.

Over recent years Selkhozpromexport's ties with such new states as the Republic of Guinea-Bissau, the People's Republic of Mozambique and the Democratic Republic of Madagascar have been expanding.

In Guinea-Bissau water wells are being drilled and exploration and operating wells for supplying populated areas and agro-industrial centres with water are being constructed with Soviet specialists' assistance.

Over the period of cooperation 53 wells (total depth over 7,000 running metres, total discharge of water, 885 l/sec) have been drilled.

In Mozambique Selkhozpromexport is technically helping draw up a general scheme for the comprehensive development of agriculture and water supply utilization in the Limpopo valley on an area of 80,000 sq.km, in preparing technical and economic substantiations for restoring agricultural production at the Baiju-Limpopo state farm; in elaborating a project for irrigating 3,000 hectares of lands in Baiju-Limpopo; in drilling water wells for supplying populated areas with water and creating three pilot land reclamation stations and a depot repairing agricultural machinery (200 standard overhauls per year).

In January 1984 that country received 27 wells with good quality drinking water supplying the population of dry regions in the Gaza province, the Macia agricultural complex and the town of Xai-Xai with water. Cotton-growing farms are being organized in the Republic.

Selkhozpromexport is rendering technical assistance to Madagascar in constructing the Tamatave mill complex with a mill (productivity 125 tons of flour a day) and an elevator (20,000 tons of grain), in organizing an experimental grain farm (area up to 200 hectares) in the Ankaratra region; a veterinary station in the Morondava area; in preparing technical and economic substantiations for developing nearly 5,000 hectares of lands in the Mandrare river valley and in elaborating technical documentation on the priority irrigation of 1,000 hectares of lands.

The USSR's technical assistance rendered to the newly-free countries in agriculture is strengthening these countries' food base and further developing their agro-industrial complexes. It is an example of mutually beneficial and equitable relations.

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